

SPRING 2014

the Alumni Magazine of NYU Stern

STERN *business*



Ken Langone reflects ▪ Edward Barr on giving back ▪ Freshman campaign for a cause
▪ Remembering Charles Waldo Haskins ▪ Discussing generational theft ▪ Seidman is Citi Fellow



a letter from the

dean

Occasionally I have been asked how a boy from rural Jamaica ended up as the Dean of a top business school in New York City. The story is connected to my parents' decision to immigrate, but the real transformation in their lives, and in mine, came through education and the generous scholarships that made it possible. With this issue of *STERNbusiness*, you hold in your hands many testaments to the transformative power of education in our society and in our economy. I hope you will briefly indulge my own.

From humble beginnings, my father's earliest memories of school were the lessons that his mother, a teacher, delivered from her "classroom" beneath an acacia tree on the red earthen soil of Pedro Plains, Jamaica. A dedicated student, his academic excellence was rewarded in later years with a series of scholarships that first provided access to a high school in Montego Bay renowned for producing doctors and scientists, and ultimately enabled him to pursue a PhD in chemistry in the United States. My mother had a similar trajectory: a scholarship led her to the University of Chicago, where she obtained her PhD in biology. Although my parents' standard of living increased when they settled our family in Wilmette, Illinois, transformative scholarships continued to play a vital role in educating the next generation and were integral to my academic career.

At NYU Stern, transformation – the creating of opportunity – is our business. In these pages, you will read various stories of transformation from some of our outstanding students and alumni. You will also hear about our School's plan to take a leading role in tackling the serious problem of unequal access to higher education in the United States. Data show that high-achieving students from the lower brackets of family income do not presently enjoy the same access to higher education as their peers from higher income brackets. Yet it's clear that if such students of exceptional potential could tap the opportunities inherent in a Stern education, regardless of their economic means, we would all stand to benefit.

This is why, in concert with NYU's \$1 billion Momentum Campaign (see cover story, page 8), we have launched a drive to raise \$75 million for Stern scholarships by 2017. Bill Berkley (BS '66), chairman of the NYU Stern Board of Overseers and vice chairman of the NYU Board

of Trustees, has kicked off the Stern campaign with a generous \$10 million contribution to create the William R. Berkley Scholarship, aimed at exceptional students who want to enter our MBA program directly after graduating from college.

You can also expect to be inspired by the people and stories behind several other generous gifts to Stern. Ed Barr (BS '57), who has done yeoman development for Stern, funded the Edward and Nancy Barr International Studies Program and explains his motivation for "paying it forward" (page 7). Ken Langone (MBA '60), vice chairman of Stern's Board of Overseers and vice chairman of the NYU Board of Trustees, funded the Langone MBA for Working Professionals at Stern and opened this year's Langone Speaker Series (page 22). Together these represent but a few examples of the many alumni and donors who continue to make our school a special place.

Additionally, this issue spotlights a couple of graduates who have gone on to thrive in non-traditional careers. Alia Jones-Harvey (MBA '03) went from Wall Street to Broadway (page 20); Dan Amatuzzi (MBA '13) is now a professional oenophile (page 18). You will also learn about recent faculty research that explores how firms and individuals can go wrong (page 26).

Moving beyond our view from Washington Square, I was pleased to meet members of the first graduating class from NYU Abu Dhabi this spring. Visiting their campus last fall, I saw further evidence that our Global Network University is indeed thriving. In addition to enjoying a warm welcome from Stern alumni in Abu Dhabi, I was greatly impressed by all the students and faculty I met. Later in 2014, I am looking forward to returning to Shanghai to reconnect with our growing community there.

As always, I remain grateful for your ongoing support of your School – through your gifts and your engagement with our programs as event chairs, mentors, panel participants, and speakers. At every level, we welcome and appreciate your commitment and encourage you to stay connected.

With all good wishes,

Peter Henry
Dean

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PUBLIC Offerings

THE BUZZ ON CAMPUS TOUCHED ON POLICY, ETHICS, FINANCE, SOCIAL RESPONSIBILITY, MARKETING, TECHNOLOGY, AND MENTORING

Ken Langone decried “Generational Theft”



Left to right in top photo: Bloomberg TV's Stephanie Ruhle, Dean Peter Henry, Vice Chairman of NYU Trustees and Stern's Board of Overseers Ken Langone (MBA '60), educator Geoffrey Canada, and investor Stanley Druckenmiller

On Sept. 6, Vice Chairman of NYU Trustees and Vice Chairman of NYU Stern's Board of Overseers **Ken Langone** (MBA '60), educator **Geoffrey Canada**, and investor **Stanley Druckenmiller** joined the NYU community in a discussion on “Generational Theft: How Entitlement Spending is Stealing Opportunity from America's Youth.” The discussion was moderated by Bloomberg TV's **Stephanie Ruhle**. Langone exhorted younger generations to become politically active to stop the decades of entitlement spending that have enriched the elderly at the expense of the young. “You're the smartest generation...yet I steal from you every month and you do nothing about it,” he declared. “My wife and I get \$3,500 a month from the government, out of your pockets. When you're 78, like me, if you haven't fixed it, the cupboard will be bare. Mount up – rise up – you're being ripped off!”

Canada, the founder and CEO of Harlem Children's Zone, echoed Langone's concern, focusing it more on the underprivileged kids of today who will find it harder to advance in life as entitlement funds are spent

down. Druckenmiller presented a number of slides showing that the elderly have become disproportionately wealthy over the past 50 years, as more children slide into poverty. Watch the video at www.stern.nyu.edu/sternbiz/generationaltheft.

Investor and philanthropist Nicolas Berggruen called for a middle way

NYU President **John Sexton** and Stern Dean **Peter Henry** welcomed **Nicolas Berggruen** (BS '81), chairman of the Berggruen Institute on Governance, in September for a discussion with NYU students on his new book, *Intelligent Governance for the 21st Century*. Berggruen argued that a new system of what he calls intelligent governance is required to meet the challenges facing world leaders today. He emphasized the need for a system that balances both inclusivity and efficiency.

Comparing China and the US, Berggruen explained that China is run like a corporation: “The country plans for the long term and rewards hard work, but also lacks in transparency.



Nicolas Berggruen (BS '81), left, and NYU President John Sexton had a spirited discussion about Berggruen's call for an evolved style of governance.

The US is transparent, but elects leaders based on popularity and monetary resources rather than competency and merit.”

Incorporating both Eastern and Western elements, Berggruen offered another solution: having both an appointed official and an elected official. He reasoned that elected officials are often too focused on the short term (i.e., the next election), which hinders their ability to make decisions for long-term sustainability. He noted that approval ratings for appointed officials (e.g., the Supreme Court) are generally higher than those for elected officials (e.g., the US Congress), now at record lows in the US.



Professor Michael Posner (middle) and Research Scholar Sarah Labowitz (left), co-directors of Stern's Center for Business and Human Rights, hosted a conference on workplace safety in Bangladesh.

Business and Human Rights Center hosted its inaugural event

The Center for Business and Human Rights kicked off the year and its founding at Stern with a conference on workplace safety in Bangladesh. Senior government officials from Bangladesh, local manufacturers, senior officials from the Bangladesh Garment Manufacturers and Export Association, and representatives of Bangladesh civil society and workers' organizations discussed workplace safety and the future of the garment industry in Bangladesh. Participants were joined by major US and European retailers, several Western governments, key intergovernmental organizations, and outside experts. Center Co-Directors **Michael Posner** and **Sarah Labowitz** framed the three-day meeting.

Ross Roundtable discussed the long-time issue of public and private company reporting

Academics, practitioners, and policymakers gathered at Stern on September 23 for a roundtable discussion on "Big GAAP vs. Little GAAP: Public Company and Private Company Reporting," hosted by Stern's Vincent C. Ross Institute of Accounting Research. Industry ex-



Left to right in top photo: Professor Stanley Siegel, NYU School of Law; Mark Lilling, Lilling & Company LLP; Professor Paul Zarowin, NYU Stern; Robert Herz, former chairman, Financial Accounting Standards Board (FASB); and Brendan Dougher, PwC. Left to right, bottom row: Professor Stanley Siegel; Jeffrey Mechanick, FASB; and Bob Durak, American Institute of CPAs (AICPA).

perts discussed the movement to simplify accounting standards for private companies, as well as whether public company financial standards should also be made less complex and more cost-effective. NYU School of Law Professor **Stanley Siegel** asserted, "What the 29 million small companies really need is a set of standards that allow for a level of consistency, that allow for meaningful reporting, but way below the level of the FASB [Financial Accounting Standards Board]." **Jeffrey Mechanick**, assistant director-nonpublic entities for the FASB, said, "As we seek to bring a better cost-benefit balance within GAAP for private companies, we're initiating at least potential simplification for all entities from yet another direction.... While the PCC's [Private Company Council] focus is and will be on private companies...FASB will be looking at whether proposals could be applicable to public or nonprofit companies."

Stern's Center for Global Economy and Business and the economics department convened a two-day conference to honor former Dean **Thomas Cooley** (pictured right) that included speakers from the world's leading universities.





Professor Paul Romer, left, discussed crime and society with police chief Bill Bratton at an Urbanization Project event.

Police Chief Bill Bratton described recent progress in policing and public safety

In a public presentation in October, as a part of the Conversations on Urbanization series held by Stern's Urbanization Project, Economics Professor **Paul Romer**, director of both the Urbanization Project and the NYU Marron Institute, spoke with **William Bratton**, newly named New York City police commissioner in the de Blasio administration. During the conversation, Bratton, formerly chief of police in Los Angeles and police commissioner in both New York and Boston, discussed the importance of police to society, the changing role of police from the 1950s to the 1990s, and his own role in reducing crime in New York City during the 1990s. He underscored the role police play in maintaining quality of life, emphasizing, "In our democratic society, the number one obligation of government is public safety." Bratton asserted that the changes in policing put into place during the 1990s have positively affected city life: "The result of this is what we're experiencing now. Crime has gone down for 20 years." Watch the video at www.stern.nyu.edu/sternbiz/bratton.

The Center for Real Estate Finance Research held its annual fall symposium

In October, the Advisory Board of the Stern Center for Real Estate Finance Research, along with Bloomberg LP, hosted its second annual fall symposium, a full-day exploration of four current hot topics in real estate finance: investing in legacy private-label residential mortgage-backed securities; reform of government-sponsored entities (GSEs) in regard to risk-sharing programs and

reform in the single-family mortgage market; affordable multifamily housing in New York City; and foreign investment in luxury US residential real estate markets. The keynote speaker was **Tim Mayopoulos**, CEO of Fannie Mae.

Salomon Center sponsored Macro Finance Workshop

The Salomon Center for the Study of Financial Institutions sponsored its second Macro Finance Workshop in October. Stern Finance Professor **Stijn Van Nieuwerburgh**, along with Columbia Business School's Neng Wang, organized the event, which also honored 2013 Nobel Laureate **Lars P. Hansen**. Hansen participated in a presentation on climate change, growth, and risk. Other presentations included "Market Price and Flexibility," regarding the pricing of technology stocks; "Optimal Fiscal Policy with Incomplete Asset Markets," in which Stern's **Thomas Sargent**, a 2011 Nobel Laureate, participated; and "Liquidity Management and Monetary Policy," with Associate Finance Professor **Thomas Philippon**.

Social Entrepreneurship Conference celebrated its 10th anniversary



Sophie Bacq, left, and Professor Jill Kickul, right, discussed the global impact of social entrepreneurship.

The largest academic conference of its kind in terms of research paper submissions, Stern's 10th Annual Conference on Social Entrepreneurship, hosted by the School's Business and Society Program and the Berkley Center for Entrepreneurship and Innovation, convened scholars, practitioners, and students from around the world to explore topics in social enterprise, innovation, sustainability, and impact. This year's three-day conference, organized by Professor **Jill Kickul**, director of Stern's Program in Social Entrepreneurship, and Northeastern University's **Sophie Bacq**, was dedicated

to the ongoing development of theory and research on social entrepreneurship and its impact on global communities. Themes included: social entrepreneurship process involving opportunity recognition and evaluation; organizational forms of social enterprises; and challenges of scaling and measuring social impact.

Fifth annual Innovation Forum packed them in

Stern and L2, a luxury marketing think tank, drew representatives of prestige brand names, scholars, and thought leaders, along with a large crowd of attendees, to their fifth annual Innovation Forum in November. CEOs from Cartier, Tumi, and Kate Spade were among the practitioners participating in panels, while Stern Marketing Professor and L2 Founder **Scott Galloway**, Marketing Professor **Adam Alter**, and Dean **Peter Henry** also spoke. Galloway commented, “Luxury is on the verge of massive disruption by competitors in other fields.”



Clockwise from top: Professors Scott Galloway and Adam Alter and Dean Peter Henry spoke at the Innovation Forum.

MappingMobile@NYU attracted mobile digerati for an industry roundup

Marketing practitioners, researchers, and academics gathered in November for Mapping Mobile@NYU Stern, a conference organized by the Stern Center for Business



Left: Professor Anindya Ghose, co-director of Stern's Center for Business Analytics

Right: Professor Russell Winer, chair of Stern's marketing department

Analytics and Center for Measurable Marketing. Attendees discussed the state of mobile marketing and evaluated new opportunities created by recent developments in mobile technology. **Anindya Ghose**, co-director of Stern's Center for Business Analytics and professor in the information, operations, and management sciences and marketing departments, and Professor **Russell Winer**, chair of the marketing department, were featured speakers. Watch the video at www.stern.nyu.edu/sternbiz/mapping-mobile-2013.

Economist told truth about honesty and cheating

Behavioral economist **Dan Ariely** shared research findings from his new book, *The (Honest) Truth about Dishonesty*, at a November event hosted by Stern's Business and Society Program and the Paduano Symposium in Business Ethics. Among his findings: most people lie in lab studies where lying earns them more money; not all human values are equal when they collide (e.g., maintaining peace at home can be more important than being honest); and creative people are more dishonest than non-creative individuals.



Business intelligentsia pondered the future of higher education in a digital age

Clockwise from top left: Stern's Vice Dean for Innovation Adam Brandenburger, Professors Arun Sundararajan and Vasant Dhar, and NYU President John Sexton sparked conversation about the future of higher education.



Also in November, Stern's Center for Business Analytics hosted a half-day symposium on the digital future of higher education, bringing together students, academics, thought leaders, venture capitalists, university leaders, entrepreneurs, and the broader business community, including NYU President **John Sexton**, Stern's Vice Dean



for Innovation **Adam Brandenburger**, and Professors **Vasant Dhar** and **Arun Sundararajan**. They discussed whether the ongoing transformation of higher education will be good for society, interactively forecasted the future, and reviewed a number of near-term strategic issues. According to President Sexton, “The status quo is not an option. We’re in for what I call a radical restructuring of higher education today.” Watch the video at www.stern.nyu.edu/sternbiz/higher-ed-digital-age.

Taleb talked about the ubiquity of risk



Nassim N. Taleb, distinguished professor of risk engineering, co-director for the Research Center for Risk Engineering at NYU-Poly, and author of *The Black Swan* (2007) and *Antifragile* (2012), spoke to an audience of about 75 MS in Risk Management students and alumni and TRIUM alumni from around the world. Taleb outlined a technical explanation of the riskiness of statistical models and fat tails and discussed his new research on fragility, explaining how fragility can serve as a tool for risk management. “My project on fragility is to highlight the evidence of absence and the absence of evidence,” he noted, stressing the significance of linking risk analysis to all business decision-making processes, since the former can inform the latter to prevent fragility.

Lord Mervyn King, distinguished visiting professor and former head of the Bank of England, spoke at an event hosted by Stern’s Center for Global Economy and Business and also joined former Dean **Thomas Cooley** for a talk on making banks safer.



The Craanes urged women in business to help other women



Left to right: Undergraduate students Ariel Huang and Melissa Yau, Valery Craane, Janine Craane, and Professor Susan Stehlik focused on mentoring and networking among women.

In December, **Janine** and **Valery Craane**, mother and daughter, spoke with Stern undergraduates at the Phi Chi Theta Women’s Corporate Mingle event. This year’s event was themed “Women for Women: Lend a Hand” and focused on leadership and the practice of sponsorship at work. Sponsors not only mentor their protégés by offering feedback and guidance, they also advocate on their protégés’ behalf, connecting them to important players and assignments. Janine Craane is a managing director at Merrill Lynch and is listed in *Baron’s* Top 100 Women Financial Advisers for 2013, as is Valery Craane, who heads the philanthropic Valery Craane Fund.

Aspiring entrepreneurs learned the ropes

At the mid-December Langone Speaker Series event, **Neil Blumenthal**, founder and CEO of Warby Parker, told a packed audience about how he started the transformative designer eyewear brand and maintains the company’s leadership position. Blumenthal, who also offered tips for students wishing to become entrepreneurs, was interviewed by Professor **Charles Murphy**. Watch the video at www.stern.nyu.edu/sternbiz/blumenthal.



QUESTIONS

EDWARD E. BARR (BS '57)
NYU Stern Board of Overseers



Edward Barr served as chairman of the Sun Chemical Group from 1987 to 2003, during which time Sun Chemical's revenues grew from \$600 million to \$4 billion. Barr has more than 45 years of industry experience, including senior management roles at Courtaulds plc, and has served as chairman of Kodak Polychrome Graphics. Barr received his MS in economics from the University of Michigan, where he also participated in the PhD program. He is an Overseer of Stern, where he led a five-year capital campaign starting in 2004. The Nancy and Edward E. Barr International Scholars Program (ISP) allows Stern undergraduates to travel abroad to undertake curriculum-based term projects and thus gain direct understanding of international cultures and business practices. Barr's current activities include a strong commitment to new technology companies in Silicon Valley. He spends his leisure time traveling to unusual parts of the world, reading biographies, and sailing. He and his wife Nancy have four children and six grandchildren.

1. What are the most important lessons you've learned about leadership?

Leadership is something you earn from your stakeholders. Be open to others' ideas, alert to new opportunities, and willing to modify your preconceptions. As they say in sports, there's no "I" in team. In business, a leader should be "all in" with the team.

2. You've been a leader in fundraising for Stern. What was your experience as a scholarship student here?

My dad was a Pennsylvania state trooper; my mother taught in a one-room schoolhouse. I would probably have attended a small, undistinguished local college and lived at home; however, I won a US Chamber of Commerce scholarship that fully funded my education at NYU Stern. It made all the difference! The scholarship was the foundation of all subsequent opportunities that together made my career.

3. What did you take away from heading up a strategic planning committee at Stern?

I learned the importance of an open dialogue, particularly in a collaborative enterprise like higher education. Together we could identify the key elements necessary to keep Stern on the up escalator, a road map now embedded in the Stern way of dealing with stakeholders and embracing new opportunities.

4. The Barr Family ISP is one of your signature accomplishments. Please explain why you selected international

exchange as your target contribution.

At Sun Chemical, before the Common Market, the euro, and the development of a group of global business leaders who were fluent in English, we overcame many obstacles to achieve huge success. Nancy and I felt that while the world was changing, it was important that Stern change too, and we've supported this unique course that gives all juniors the opportunity to visit an overseas company they've been studying at Stern, then in small teams to craft an analysis leading to class-wide competitions. We think this global exposure is important in fully educating Stern students.

5. How has business and business education changed?

My Stern education taught me respect for hard data and analysis based on facts. When I started in business there was an over-reliance on anecdotal evidence and generally accepted beliefs. Today students at Stern are given tools and the analytical techniques to use them. The more real-life, hands-on experiences they get, the better – internships, work study, public service – to see how fortunate they are and how much is expected of them, not just in their business careers but to improve the world they live in.

6. What are the secrets to your success?

No secrets. It's simply when life gives you an opportunity, even if it seems difficult or not even fully attainable, seize it! Learn to work harder than you ever thought possible. Do the right thing, even if it's inconvenient. As a leader don't focus on what's in it for you; do what's fair for the people whom you have been given the opportunity to lead.

7. Any additional advice for today's business students?

Stay in touch with your alma mater. It's all about giving back, so the next generation can benefit from a continuously robust Stern.

8. What is your fondest memory of Stern? Did you have a favorite professor and/or class?

We were all young men who came from modest or desperate circumstances, determined to succeed despite the obstacles. I benefited enormously from the support of my professor, mentor, and friend Dean Emeritus Abraham Gitlow. When I began to achieve some professional and financial success, he reached out to me and reawakened my deep sense of obligation to Stern, both in time and financial commitment, and that's been an important part of my life. ■

THE ECONOMICS OF OPPORTUNITY

By **Dean Peter Henry**



Since its earliest days, our School has reflected the changing needs and increased expectations, hopes, and fortunes of American society and enterprise. At the time of its founding in 1900, New York City was in the midst of the greatest wave of immigration in its history. Abe Gitlow, former Dean of the Undergraduate College, reminds us in his book *New York University's Stern School of Business: A Centennial Retrospective* that our School was, in fact, first conceived as a center of learning for the children of these immigrants — people who risked much to gain greater opportunities, and whose industriousness built our modern city.

More than a hundred years later, many things have changed. The absorption of immigrant talent — from baseball players to computer programmers — still plays a major role in driving business growth, but the flow of people into the country and the sale of goods and services beyond our borders have both been greatly aided by technology. While advances in technology have accelerated the pace of globalization, technology has also posed challenges to US employment. Despite our new 21st century reality, one thing remains the same: NYU Stern's commitment to creating value for both business and society.

It is perhaps in this area of value creation that I experience the greatest intersection of my role as Dean with my role as an economist. Our School's founders recognized that increasing value for business and society begins when you unlock an individual's potential through education, then channel that potential into an efficient allocation of resources.

Problematically then, what do we make of recent studies that show that nearly one-fifth of all high-school seniors in the US who score in the top 10th percentile on standardized tests used for college admissions come from the bottom quartile of US income distribution — when we also know that children born into the bottom quartile have only an eight percent chance of going to college, compared to an 85 percent chance for those born into the top quartile? This glaring disparity suggests that a significant number of highly talented young Americans with the potential to be the next generation of leaders will instead remain in the low-skill segment of the workforce.

Amplify this story of missed educational opportunity across several decades and couple it with an accelerating demand for high-skilled workers who have kept pace with technological advances, and it becomes easier to understand the cause and severity of the widening income gap. Lifting more talented individuals into the high-skill labor market will go a long way toward narrowing this gap and increasing US productivity. Said another way, providing access to higher education is a business and economic imperative as much as it is a societal one.

It is also our School's imperative. If we at Stern are to be true to our heritage as a place that transforms lives by providing access to opportunity for qualified students irrespective of their ability to pay, then we must redouble our efforts now. At a time when inequality is at the forefront of the economic discussion in our city and across our nation, it is our School's obligation — as well as its tradition — to not only join the conversation but to lead it, and to contribute solutions that create value for the greatest number of people.

In line with our mission and our history, Stern is therefore stepping forward to meet the challenge of access to higher education by launching an ambitious scholarship campaign that will — one talented individual at a time — transform lives, businesses, and the economy.

In the adjacent article, you can read inspiring stories from Stern scholarship recipients — stories that demonstrate the powerful potential we have right here in our community, once we give the gift of education. Keeping in mind those first students who benefitted from Stern's founding more than a century ago, I encourage you now to join me in enabling a new wave of talent to fulfill their promise — and to imagine the possibilities we can inspire together.

THE MOMENTUM CAMPAIGN:

BUILDING SCHOLARSHIP
RESOURCES TO BRING THE
BEST MINDS TO STERN

By **Marilyn Harris**





Left: Undergraduate College Dean Geeta Menon (far right) and Tom Silbiger of the Harold S. Geneen Charitable Trust, congratulated Ritika Gawande (BS '14), the Daniel E. Diamond Scholar, Harold S. Geneen Memorial Scholar, and Irving H. Isaac Scholar (center), and her parents and sister. Right: Kristin Cardwell (MBA '14), center, visits the Taj Mahal during a School trip.

“About half of our 2,500 undergraduates qualify for financial aid. Stern meets only about 50 percent of their financial need, while most of our peer schools meet 100 percent. We need to do better, and I’m pounding the pavement to raise awareness about the urgent need for undergraduate scholarships.” — Undergraduate College Dean Geeta Menon

Adrienne Liu (BS '14)



Adrienne Liu grew up in New Jersey, the younger child of a single mother. Her mother told her not to waste money on the Stern application fee, because if she got in, she wasn’t going. Those were crushing words, said Liu. “I had worked too hard in high school to not apply to my dream school, so I

paid for the application fee and applied anyway.” Getting admitted was “bittersweet,” she recalled, because she knew she couldn’t attend. Then she learned she had been tapped for a scholarship from Stern. “It wasn’t much,” she said, “but it showed me that the school believed I could succeed and do something great in life.” She decided to come, not fully understanding the financial burden she would still have to carry. “The stress of loans really kicked in during fall of junior year. I had already switched from marketing to finance, having learned that would be the quickest way to pay off my loans. But while recruiting for investment banking, I took five classes, was an admissions ambassador and president of an NYU club, and still had to work about

20 hours a week to help pay for living expenses. I was afraid that if I didn’t do well in school and get a banking job, I would forever be burdened by student debt. Even now I have a full-time banking job at Evercore after college – I’m excited for that – but I’m still freak-ing out about the loans.”

While grateful she was able to attend Stern, Liu said she does feel that she missed out on an important part of college – namely the experience of exploring new things to find her passion. “I wasn’t able to take marketing classes because I didn’t want to ‘waste’ my credits on non-finance courses. I never got a chance to take unpaid internships that were interesting but not directly relevant to finance.” Still, besides enabling her to go to Stern, the scholarships and loans had other positive effects. “They’re the reason I’ve been so hardworking, independent, and motivated to earn my full-time job before I even graduate. Now I know what I’m fully capable of and that’s amazing.”

Liu fully intends to pay her debt forward. “When I give back to Stern, I hope the money goes to a scholarship for a kid like me who thought they could never afford to come here. I want future Sternies to be able to spend their college years finding their passion rather than stressing over loans. I want them to be able to take the risks I never took.”

“We want to put the tools of business into the hands of the most promising leaders of tomorrow. We’re hoping our alumni are similarly inspired to make a difference and help Stern reach its potential by enabling the brightest students, from all income levels and backgrounds, to reach theirs.” — Dean Peter Henry



Left: Dean Menon celebrated with undergraduate scholarship recipients at the Scholarship Reception. (center) Katina Mountanos (BS '14) was a member of the Undergraduate College Street Team. Right: Kevin Baker (BS '14), on left, and Jessica Li (BS '13) exit Tisch Hall.

Robert Jorgensen (MBA '14)



One of the US armed services veterans who finds Stern an exceptionally “veteran-friendly” place, Bobby Jorgensen participated with the Marines in Haiti earthquake

relief efforts in 2010 and then served in Afghanistan as a Marine platoon commander and a company executive officer, having signed up after earning an undergraduate business degree at Fordham University in 2008. He recalled: “I joined the Marine Corps with the intention of only serving four years on active duty and then returning to the New York City area to pursue a business career. I realized that attending business school was the best way to develop some of the technical skills I would require to

complement the leadership skills the Marine Corps had developed in me.”

Substantial financial aid was a prerequisite for Jorgensen. “At the time I left active duty I didn’t have the personal savings to enable me to attend business school without some sort of financial aid or taking out student loans.” Of the many New York-area programs he applied to, Stern stood out for its academic ranking and veteran-friendliness, he said, and the aid he received made it a slam-dunk: “Were it not for the full scholarship from Stern I almost certainly wouldn’t have been able to attend.”

Jorgensen, who interned for Credit Suisse after his first year and has accepted a full-time role on its structured products desk after graduation, said he is grateful to Stern for providing these opportunities and smoothing his transition into the private sector. “The strength of the academics, the career services office, and a very strong alumni network opened doors for me that otherwise wouldn’t be open,” he said.

NYU has launched the NYU Momentum Campaign, a unified university initiative aiming to raise \$1 billion for scholarships by 2017 – of which Stern’s fundraising goal is \$75 million.

Kevin Baker (BS '14)

Kevin Baker grew up in the small farming town of Fowlerville, Michigan. His single mother worked in the state’s struggling real estate market. One older brother attended a four-year university; another did not. Baker had the opportunity to attend other colleges at little or no cost after scholarships. The combination of eight scholarships (mostly need-based), Federal loans, Pell Grants (since cancelled), and Federal loans to his mother enabled him to attend “a school as great as Stern,” he said.

Baker said his scholarships meant opportunity – plain and simple. Scholarships enabled him to study abroad twice. As a member of the senior honors program, he traveled with Dean Menon to meet with Warren Buffett. Freed from the obligation to work part-time, he was able to join the Stern Consulting Corps and also focus on a senior proj-





Left: Dean Menon enjoys a moment. (center) Adrienne Liu (BS '14) on left and Adebunmi Onitiri (BS '14) on right sported their Street Team tee shirts. Right: Liu, a finance major, is headed for a job in banking.

ect with Professor David Yermack analyzing the value fashion designers represent to investors of large fashion houses. Attending Stern has made it possible for Baker to obtain professional internships at UBS Financial Services, Ralph Lauren, and Accenture Management Consulting, where he will begin his career after graduation, as a business analyst.

At Stern, Baker said, he has been able to “explore himself, learn, grow up, and engage with the greatest city in the world. No other university experiences could have challenged me in the way that Stern and New York have.” There is no question, he said, that, when he is able, he will consider giving a scholarship himself.

**“Stern’s confidence in me helped me believe in my potential.”
— Shruti Ganguly (MBA/MFA '11)**

Shruti Ganguly (MBA/MFA '11)



Shruti Ganguly, the first graduate of the joint MBA/MFA degree program, had been working in the media industry as a video producer at Nylon, a pop culture and fashion magazine, before taking a risk by leaving her job to pursue graduate degrees. Ganguly explained, “I had left a job I really loved

and gave up a good income to pay for school fees.” She was uncertain she had made the right choice. Then, as classes started, the School notified her that she had been selected to receive the Kenshin Oshima Scholarship, which provides up to \$50,000 in scholarship support to the most promising first-year MBA student(s) with a deep and abiding interest in Asian culture. “The scholar-

ship award caught me off-guard, because I hadn’t applied for it,” Ganguly, an Indian who grew up in Oman, recalled. “It got me excited about the potential of this new graduate program, and the School’s confidence in me helped me believe I could succeed here.”

The boost to her self-confidence energized Ganguly and overcame any doubts she had had about the path she had chosen. In addition, being a scholarship winner helped her connect with other Oshima Scholars from different fields, through dinners and meetings. “We had the scholarship in common, and my approach and level of enthusiasm for the program and its potential just really took off.” In her final year, Ganguly made two feature films, working with James Franco at his Rabbit Bandini Productions. She is still associated with Franco and Rabbit Bandini.

Upon graduation, she worked for MTV, developing content for one of its digital platforms. She recently moved to Condé Nast Entertainment, focusing on its Vogue and Wired brands. She is also producing a feature film that will premiere at the Venice Film Festival this year. Along with four female classmates from Tisch, she is a part of a filmmaking collective called LaTiDa Pro-



Left: Adam Tiouririne (BS '13) took a break during a solo hiking trip to Yunnan, China, while studying at NYU Shanghai. Right: Shruti Ganguly (MBA/MFA '11) discussed a scene with actor/director James Franco on the set of "Tar."

ductions. As an associate professor at NYU and a professor at Ringling College of Art + Design, she teaches classes dealing with the business of film to graduate and undergraduate students.

Last fall, Ganguly spoke to the new MBA class at

Stern's orientation program, Launch. "I like to encourage people to get a business degree, to not be scared by the numbers, and to learn leadership and management skills," she said. "It's helped me enormously to get to where I am today."

**"We need to ensure that we are the school of opportunity for *all* talented students, not just the ones who are fortunate enough to afford it."
— Undergraduate College Dean Geeta Menon**



Jennifer Wynn (MBA '14)

From Brooklyn, NY, Jennifer Wynn graduated in sociology from Harvard College in 2006. After college she spent one year as a Rockefeller Fellow in Rio de Janeiro, Brazil. Two years as a business analyst at McKinsey & Co. preceded two years as a Teach for America corps member

in New York, during which she joined Achievement First, a charter school network where she taught reading and writing. She was promoted to dean of students at Achievement First's East New York Middle School before entering Stern. She spent her summer internship at Harlem Children's Zone.

According to Wynn, she chose Stern over Columbia and Harvard business schools, where she had also been admitted, because Stern was the only school that gave her "the combination of financial freedom, access to networks, and academic rigor" she wanted. "Receiving the Dean's Scholarship sealed the deal," she said.

"My scholarship is the gift of professional freedom," she added. "By that I mean the freedom to pursue a career that I'm truly passionate about – education management – rather than allow financial obligations to direct my life's work. My scholarship has made a world of difference to me. With my MBA I've successfully applied for education management roles that do great work on a large scale – beyond the one school building where I worked as dean of students. When employers ask about my scholarship during interviews, it's a wonderful way to talk about Stern and the amazing work it is doing to empower MBA students who are focused on social impact work."

"Many of these high-achieving, economically challenged students live right here in Stern's backyard. They have talent; they're deserving; and they have need." — Dean Peter Henry



Left: Jennifer Wynn (MBA '14) and Robert Jorgensen (MBA '14) networked at the Scholarship Reception. Center: Dean Peter Henry and Undergraduate College Dean Geeta Menon Right: Adebunmi Onitiri (BS '14), is a marketing major with a minor in entertainment, media, and technology.

Katina Mountanos (BS '14)



Neither of Katina Mountanos's parents finished college. Her father, who emigrated from Greece at age 15, owns a small catering business on New York's Long Island. Her mother works in a high school guidance office. Mountanos is the oldest of four children, and she was very aware that where she went to college and how it was paid for would affect her siblings' futures as well as hers. When she was accepted at Stern, Mountanos was determined to make it work, despite having a full scholarship at a state university. Through a combination of merit and need-based scholarships plus loans in her and her parents' names, she will graduate this year and begin a full-time job in the corporate real estate department of Goldman Sachs.

"It was really scary" starting Stern with a mountain of loans, Mountanos recalled. "My parents warned me it was a huge risk." As a sophomore, she won a \$20,000 annual scholarship that she termed life-changing. "That allowed my sib-

lings to be able to go to other private colleges, too," she said. Indeed, a brother is a freshman at NYU. In addition, smaller grants enabled her to study in Prague for a semester and spend a week with Stern International Volunteers in Peru.

Mountanos calculates she will be paying off her loans for the next 10 years. She has worked part time throughout college, tutoring and conducting campus tours. "Everyone I know who is going through school on loans is working part-time," she said. "The students burdened the most are mostly middle-class, it seems. Every year we re-sign our loans not knowing if we will be able to pay." She observed that it's "reassuring" to find others in her situation and that no students like to admit they're receiving financial aid. "That's something that needs to change," she said. "You should feel okay about receiving scholarship money."

Mountanos and a classmate participated in the Stern Social Impact Business Challenge, proposing a nonprofit, online portal that connects high-performing college students to individual donors for scholarship opportunities. "Receiving a scholarship is such a life-changing experience, and you usually don't know the person who changed your life," she noted. "This website would make the process more transparent for middle-class students – our target demographic – and donors." As for creating a scholarship herself at some point: "I would give back to Stern in a second. It has given me so much to prepare for my future."

"We are kicking off a campaign to enable many more students with exceptional potential and talent to attend Stern, regardless of their families' ability to pay." — Dean Peter Henry



Left: Army veteran Michael Taylor (MBA '14) served tours in Iraq and Afghanistan before studying management and entrepreneurship at Stern. Right: Kristin Cardwell (MBA '14), third from left, visited with micro-entrepreneurs during a trip to India for a social entrepreneurship course.



Francesco Piaggio (MBA '14)

For Francesco Piaggio, a Faculty Scholar, the honor means both flexibility and commitment: “Flexibility because I am completely free to open my mind and follow any path I want after completing the MBA program. Everyone can do this but finishing my MBA with no debt makes it easier. And I am committed to make a difference with this flexibility.”



Piaggio, a Lima, Peru, native, attended college there, then spent four years at Banco de Credito prior to enter-

ing Stern. He returned to the bank as a vice president, where he hopes to be able to contribute in developing the financial industry and capital markets in Peru. “At the same time, I will be able to dedicate time to develop my own enterprises in Peru and eventually launch them,” he said.

Piaggio’s scholarship enabled him to begin the MBA program earlier, rather than work for several more years to build up his savings. He had already decided on Stern because of its collaborative atmosphere, he said, but receiving the scholarship confirmed to him “that Stern was the perfect fit, that the feeling was mutual, and that the School was committed to helping me realize my potential.”

In the future, Piaggio added, “I would love to give more than one scholarship. I think it’s a great way of giving back to society and Stern and helping the next generation to be better than us.”

“Undergraduate scholarships are of critical importance because they are a springboard for a start in life for this student population.”
— Undergraduate College Dean Geeta Menon



Adebunmi Onitiri (BS '14)

“Bunmi” Onitiri hails from New Jersey; her father emigrated from Nigeria and attended university in the US. He is a consultant with a PhD. Her mother is a project management professional with a master’s degree. Both work in the telecommunications industry. A dervish of activity, Onitiri is a marketing major with

a minor in the business of entertainment, media, and technology, and serves as co-vice-president of Undergraduate Stern Women in Business, director of publicity on the student council, secretary of Pintura, and member of the Undergraduate College’s Street Team. She also interns at NBC Network in the Branded Entertainment and Ad Sales Marketing group.

The scholarships and loans that are helping Onitiri’s family pay for her education are meaningful beyond the obvious, she said. “It’s very inspiring to see how someone will support students in this way, and it pushes me to work harder to make all of this worth it.” She acknowledged the stress that accompanies paying off her loans, but insisted that she and her family were determined to make Stern

work. “I’m so fortunate that it did.”

Onitiri added: “Attending Stern with the help of my scholarship has allowed me to gain the best business education in New York City and around the world. I have been able to grow professionally and personally in my classes, clubs, and internships, and I don’t think that I could have become the

person I am without it. Over the past three years, I’ve built the knowledge, experience, and network that put me in a great position for life after graduation. I hope one day I can help students experience Stern and really find their passions and career goals without constant financial concerns.”

“Knowledge workers are in great demand. Broadening access to higher education will continue to pay dividends for future generations.” — Dean Peter Henry

Kristin Cardwell (MBA ’14)



Kristin Cardwell, originally from the suburbs of Austin, Texas, graduated from the University of Texas in 2008 with a double major in advertising communications and Spanish, working throughout college to help defray expenses. She joined L’Oréal and progressed quickly to become a global brand manager on the May-

belline team, gaining experience in both Asian and Western markets. For Cardwell, her Consortium fellowship meant she could attend Stern. Without it, she said, she would have had to finance her MBA entirely with loans, and for that reason, might not have come to Stern. (Stern is a member of the Consortium for Graduate Study in Management, an alliance of 17 top business schools and corporate America to encourage diversity within management positions via full scholarships to full-time MBA students demonstrating academic excellence and potential.)

Cardwell explained: “I knew I wanted to stay in New York for my MBA, but I was accepted into both Stern and Columbia and had a difficult time choosing between the two.

Stern’s innovative culture and electives in digital marketing, entrepreneurship, luxury retail, and brand strategy were highly appealing to me, but I knew Columbia’s core classes and successful alumni network were very strong. Obtaining the scholarship really helped push me towards Stern.”

Cardwell has made the most of her time at Stern. She spent her summer at Interbrand as a senior consultant in strategy and after Stern will pursue a director-level position at WPP as a part of the holding company’s prestigious global fellowship. Along with five other fellows from top global business schools, she’ll tailor the program to rotate through various companies in the digital, media, and marketing space. She also hopes one day to pursue entrepreneurship and is currently vice president of careers for the MBA student club Entrepreneurs’ Exchange.

Cardwell counts herself fortunate in that her fellowship pays full tuition and fees. “Having a full scholarship has allowed me some financial freedom in order to focus on classes and gaining new skill sets during the semester, rather than working for money like I did in undergrad,” she said. “For example, it has given me the freedom to gain experience working at an early-stage start-up and to do pro-bono consulting projects. I also felt comfortable spending the money to participate in a social entrepreneurship class in India and a ‘Doing Business in Brazil’ class when I otherwise would have missed out. I hope to be successful enough one day to give back to the Stern community.”

“We are thrilled to be a part of the Momentum Campaign for scholarships. There is simply no greater gift than that of an undergraduate education.” — Undergraduate College Dean Geeta Menon

Adam Tiouririne (BS '13)



When Adam Tiouririne, the son of Algerian parents who was brought up in Illinois, was considering college, his final choice came down to his state school, with generous financial aid, or Stern. He recalled: “As soon as NYU responded favorably to my financial aid appeal, the decision became a no-brainer.”

His parents divorced when he was young, and he noticed a contrast in their lives. His mom, with a PhD, lives pretty comfortably, he said, but his father never finished college and sometimes struggled to make ends meet. Financial aid from Stern was a must, Tiouririne said: “I started my first office job the day after I graduated high school, and I worked all through college. Without the Racoosin Scholarship, those jobs might have been building maintenance or food service – valuable work, but more about my checking account than my interests. With the breathing room of a generous grant, I could focus on work that would build my career, from a long tenure at a corporate crisis management firm to internships at Goldman Sachs and the US Senate.”

The financial aid was key, Tiouririne continued: “It was the first door that mattered – the door to Stern, NYU, and New York City. Once I had that opportunity, a whole hallway of doors was open to me. I could spend four years studying in five countries; I could work during school, from the China headquarters of an American multinational to a crisis management firm that counseled the top executives in New York; and I could meet the professors, professionals, and peers who remain my friends today. The scholarship opened the first door and enabled me to explore all the others.”

After spending time as an educator with Teach for America, currently Tiouririne works with low-income children in Memphis, Tennessee, as a school administrator. His plans include starting a business and advising senior leaders in Washington. The ultimate goal, he said, is to help achieve a “fairer and more inclusive” economy. “Every kid like me should have easier access to a Racoosin Scholarship, and every Theodore Racoosin should be so generous as to endow one.” If he ever earned a fortune, however, he vowed, “It would be an honor to repay, and pay forward, the academic, professional, and personal education that the Racoosin Scholarship made possible.”

SUPPORT THE NEXT GENERATION OF STERN STUDENTS



I have been at NYU Stern for 24 years, and in that time I have watched it evolve into a global powerhouse. We have so much of

which to be proud and we should celebrate the legacy that so many have helped grow since our founding in 1900.

It is our relentless push for academic excellence and innovation, our uniquely “glo-cal” perspective grounded in our New York City roots and spanning six continents, and our dynamic community of faculty, thought leaders, and game changers that draws the brightest and most talented students in record numbers to seek admission here each year.

While we are in a great place, there is still hard work to be done and important goals to attain. Each year, one out of two of our 2,500 undergraduates qualify for need-based financial aid. We only cover 50 percent of that need, while most of our peer schools cover 100 percent. This puts Stern undergraduates at a distinct financial disadvantage during their college years, forcing some of them to specialize in areas that are more financially lucrative rather than follow their true passion, or work multiple jobs to make ends meet rather than making full use of what our classes and professional clubs have to offer. Such decisions preclude our students from fully tapping their potential and fulfilling their dreams.

Raising funds for scholarships is critical. With the urging of our boards, faculty, and, especially, our students, we have been working hard to spread the word about the importance of scholarships and hope that this will directly translate into money for financial support.

We have those who came before us to thank for making Stern the leader it is today, and now it is our turn to plant the trees under which future generations will sit. So, I am asking everyone in the Stern community to help us keep moving forward successfully by joining the Momentum Campaign for scholarships.

A more accessible Stern today, supported by more scholarships, benefits not just our students but the entire Stern community as we continue our journey on this trajectory of being a top-notch school of opportunity, delivering excellence in and out of the classroom, and shaping the global leaders of tomorrow.

Warm regards,

A handwritten signature in black ink, reading "Geeta Menon".

Geeta Menon
Dean, Undergraduate College



La Dolce Vita

By **Carolyn Ritter**

“**T**here’s no shortcut to a profession in wine,” explained Daniel Amatuzzi (MBA ’13). “It requires a lot of tasting, reading, learning, and most important, *remembering* what you’re drinking.” A self-confessed oenophile, Amatuzzi has transformed his passion for wine into an exciting career. A twice-published author and beverage director for Eataly New York, an Italian food market/restaurant, Amatuzzi is making his mark in the world of wine connoisseurs. And he’s off to a great start: in December 2012, he appeared in *Forbes*’s “30 Under Thirty” list.

Bitten by the writing bug at an early age, Amatuzzi published his first book, *Italian Wine for The Student*, at 26. “It began as a wine journal during my stint as bar manager and sommelier at Del Posto, an Italian restaurant located in Chelsea, which has the most ambitious Italian wine list in the world,” he explained. “I wanted to keep extensive tasting notes about the rare and obscure wines that I was learning about. The notes expanded to include information about the regions, producers, and grapes themselves, and in time a book took shape.”

Not stopping there, Amatuzzi came out with his second book, *A First Course in Wine: From Grape to Glass*, this past fall. “This book is for the beginner wine drinker and covers all aspects of how to taste



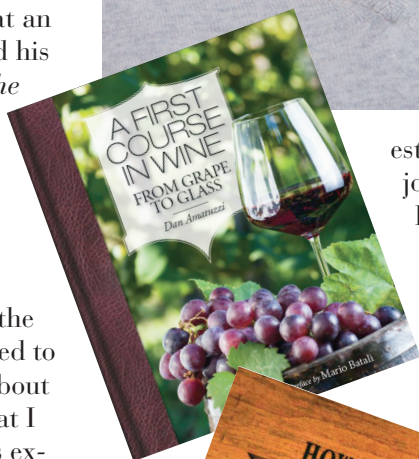
Photo Tracy Bachman

and analyze wine, how to enjoy wine, and how it’s made,” he explained. His most recent book, *How to Host a Wine Tasting Party*, published in February, provides an all-inclusive kit for wine lovers, including cloth wine bottle covers, tasting score pads, a cheat sheet, and glass markers. Amatuzzi also shares his latest musings on www.wineforthestudent.com, a blog that focuses on wine education and appreciation, featuring interviews with winemakers, recommendations for bottles under \$20, and more.

So how did this passion for wine originate? “Like many Italian-American families, the Amatuzzis hail from southern Italy,” he said. “A general curiosity about the family history fueled my interests in the food and wine business. In fact, my first jobs were all food-related.” Working as a cook, he learned the basics of food production and taste at an early age. “Eventually Bacchus [the Greek god of wine] found me,” he joked.

As an undergraduate student at Villanova University, Amatuzzi studied in Florence, gaining exposure to the Italian culture of food and wine firsthand. “Over there, meal time brings people together. It’s more than just nutrition and sustenance. It’s life!” he explained.

“There’s less focus on how the wine tastes or smells, but rather on sharing and experiencing a time and place with friends and family.” On a class assignment, he traveled to Chianti wine country and saw wine barrels, tanks, and vineyards for the first time.





Photos Virginia Rollison.

Before graduating, he also wrote a thesis on the economics of wine production. “It was interesting to learn that many wineries are heavy on capital investment and land, but really operate at a bare minimum in terms of human labor,” he said. He also learned that the pricing of wines is very subjective: “Marketing, advertising, strategy, and positioning all play an important role in determining price.” Most surprising, he learned that the culture of drinking and producing wine is changing in European countries. “Although the wine industry is not a zero-sum game, if countries like France and Italy lose their competitive edge, countries like Argentina, Australia, and the US are well poised to win over consumers.”

During his time at Stern, Amatuzzi was very active in the entrepreneurship sphere. In particular, he highlights Stern’s Berkley Center for Entrepreneurship and Innovation as a great resource for any budding entrepreneur: “It gave me a chance to speak with industry leaders and gain perspective on my venture ideas before fleshing out the business plans.” He still applies some of that business acumen: “As Eataly manages constant change, growth and expansion, and the need for innovative ideas, the lessons I learned at Stern have been invaluable.”

In his role at Eataly, Amatuzzi sources wine for the restaurants and wine shop and teaches food and wine classes at the culinary center, “La Scuola.” On a typical day, you’ll find him juggling a number of priorities, including checking on wine deliveries, stocking and organizing inventory, working with the sommelier and wine shop teams, conversing with chefs and restaurant managers about food updates and new seasonal flavors, and

strategizing with the company’s other retail departments. “We focus on quality above all else and aim to educate customers about the origins and farming methods of the products we offer,” he explained.

On top of his already full plate, Amatuzzi finds time to teach graduate students in the Food Studies Program at NYU’s Steinhardt School of Culture, Education, and Human Development. “I’m honored to be part of the teaching staff at NYU, and it’s important for me to share the information that I’ve attained throughout my career and to help others in their personal and professional pursuits,” he commented.

Considering the challenges facing the food and wine industry globally, Amatuzzi said that growing populations are exacerbating the problems associated with food and water shortages: “The overall price of food is rising and it’s getting difficult for families to eat healthy food on a regular basis.” A proponent of the “Slow Food” movement, which strives to preserve traditional and regional cuisine and encourages local farming, he pointed to several breakthroughs in urban farming methods and eating locally. “Hopefully, these advances will help encourage more people to begin growing some of their own foods,” he said.

Committed to enjoying la dolce vita, Amatuzzi always finds time to unplug. In fact, he doesn’t own a smartphone and proudly stated that he “enjoys being disconnected from the digital world as much as possible.” Instead, he spends his free time writing, biking, and composing music for his band, the Ramps, named after a seasonal wild leek native to the East Coast. ■

“A general curiosity about the family history fueled my interests in the food and wine business.”

A Performance-Driven Career Path

By **Kimberly Couzens**

Alia Jones-Harvey (MBA '03), has loved the arts since she was a child.

Today, as an award-winning Broadway producer and a partner at Front Row Productions, she combines her passion for theater with her business acumen, working to bring classic plays featuring actors of color to Broadway. Her producing credits include the first African-American revival of Tennessee Williams's "Cat on a Hot Tin Roof" and "A Streetcar Named Desire" as well as "The Trip to Bountiful" and "Romeo and Juliet."

Jones-Harvey completed a dual-degree program as an undergraduate, receiving a mathematics degree from Spelman College and an industrial engineering degree from Georgia Tech. She worked at Procter & Gamble in IT, finance, and marketing before pursuing her MBA at Stern.

Jones-Harvey compares the seven years she has spent producing Broadway shows to running a series of start-up companies, which requires entrepreneurial skills. "We start with concepts, then secure properties, engage investors and talent, and enter into theater contracts," she explained. "With those elements in place, we build out the management team for each production." A typical day involves correspondence and meetings in any of



those areas to advance a project. Evenings are often spent in the theater interacting with the house management, crew, and company or attending fundraising events.

As a producer, she cites the skills she gained in finance and marketing as crucial to her current projects. Working on Broadway has "many similarities to my last job, marketing and financial reporting for hedge funds," said Jones-Harvey. "I court high-net-worth investors, provide education, and do financial reporting." Engaging investors is a key component of success in her role, as "Broadway is an alternative investment opportunity in which many high-net-worth investors

have not participated." She also cites the Arts Administration course taught by former adjunct Professor

Joseph Volpe, who was the long-term general manager of the Metropolitan Opera, as "a major inspiration" and Professor Al Lieberman's entertainment courses as "an excellent framework for the industry."

Although Jones-Harvey attended Broadway shows in New York as a child, she said she "did not see a path to working in the industry until a mentor and founder of Front Row Productions, Stephen C. Byrd, called with a proposition," asking if she would be interested in partnering with him to produce "Cat on a Hot Tin Roof" with an all-black cast on Broadway. "I jumped at the chance!" she recalled. The

"It is important for me to demystify the business that I am in for students looking at alternative career opportunities."



Photo: Ian Gavan/Getty Images Europe



Photo: Lisa Pacino

Left: Alia Jones-Harvey (MBA '03) and Stephen Byrd receive the Olivier Award. Right: Jones-Harvey produced a number of Broadway Productions including "A Streetcar Named Desire."

show's cast featured James Earl Jones, Phylicia Rashad, Terrence Howard, and Anika Noni Rose and was the highest-grossing play on Broadway in the spring of 2008. The West End production in London, which she co-produced, received the 2010 Laurence Olivier Award for Best Revival of a Play.

Jones-Harvey said: "Broadway in New York and the West End in London are considered the highest class theater in the world. On Broadway and the West End, the people that work in theater share amazing dedication to delivering the highest-quality productions for audiences to enjoy. The structure of operations and functions are very similar. Likewise, the cities are similar in their diversity and cosmopolitan theater-going audiences." For would-be Broadway producers and students interested in working in the entertainment industry, Jones-Harvey emphasized that "relationships are a key element of success in alternative industries and careers. Build and maintain as many relationships across functions as you can – you will need them!"

Byrd and Jones-Harvey are in development on several projects including a new musical for Broadway, "Black

Orpheus." Based on the original play by Vinícius de Moraes and the internationally acclaimed Academy Award-winning film, "Black Orpheus" is the enchanted re-telling of the myth of Orpheus and Eurydice set in romantic Rio de Janeiro during Carnival and featuring the music of bossa nova kings Vinícius de Moraes and Antonio Carlos Jobim.

Jones-Harvey is a supporter of several community organizations, including the National Urban Technology Center, New Worlds Theatre Project, and the Broadway League Speakers Bureau. She also teaches a course on producing for Broadway at The City College of New York and spoke at a leadership roundtable at Stern's Undergraduate College. "It is important for me to demystify the business that I am in for students looking at alternative career opportunities," she says. "Broadway is rewarding work that I look forward to every day, and I strive to encourage others to get into the business."

In her spare time, Jones-Harvey enjoys listening to music, running in Central Park, watching movies, and, of course, seeing plays. ■

No Shrinking Violet

Ken Langone shares his secrets of success and sounds off on some pet peeves

On October 15, Kenneth G. Langone, a chief benefactor of Stern's Langone MBA for Working Professionals, kicked off the new Langone Speaker Series in an interview with Management Practice Professor Charles Murphy. Langone, 78, vice chairman of the NYU Board of Trustees and vice chairman of Stern's Board of Overseers, is best known for having co-founded Home Depot. He has also been an investment banker, venture capitalist, member of many corporate boards, and philanthropist. Langone is currently founder and CEO of Invemed Associates Inc. Excerpts of the interview are presented below.



Charles Murphy: *Your parents were working-class and never went to college, and there wasn't much money in the house when you were growing up. You wound up going to Bucknell and then on to Wall Street. What motivated you?*

Kenneth Langone: My mother went to the seventh grade, my father went to the eighth grade. I never remember a day as a young boy that they weren't talking about the importance of education. Economically, times were very tough — especially when my father was out of work. He was a union plumber, so when a job got completed, he didn't have a job. My mother worked in a school cafeteria.

I've been rich and I've been poor. Rich is better. I was motivated to succeed. I think business is more psychological than it is about knowing the numbers on balance sheets, income statements, cash flow, EBITDA, etc. The responsibility is to feel good about yourself and then say, "What good can I do with what I have?" That's your real net worth. I never felt as rich as I felt when I started writing these big checks to charities. If you want to really win, you've got to have a sense of worth about yourself, that you really are somebody special and that you can do it.

CM: *You are the consummate networker. How important is that?*

KL: You can never be too rich, you can never be too honest, and you can never have too many friends. It's that simple. Remember, if you want to have a friend, you've got to be a friend. Don't be a convenient friend. A guy comes to you, needs a break, needs a friend, you do it. I'm not talking about becoming a bank for

them, you want to be careful about that — I've lost more friendships because I've made loans to more people than I'm happy to say I did. Because all of a sudden, you don't hear from them anymore.

"We're on our way to being the best-governed corporate environment and worst managed."

CM: *What's happened to ethics over your lifetime?*

KL: I come from a world where you put your hand out and shake on a deal, I don't need a contract. I have never been sued in my life, and I have never sued anybody in my life. The

number of deals I've done where I sit with a guy and say, "This is the deal and it's crystal clear" and he says, "Okay," but goes back and renegotiates the deal, I say, "Fine, I'll do it, but I'll never do business with you again." I can't think of anybody I've ever done business with that wouldn't do business with me again.

CM: *You've been on a lot of corporate boards. How do you feel about governance in this country and around the world?*

KL: I think this governance shtick has gone too far. We're on our way to being the best-governed corporate environment and worst managed. I want the best people in the boardroom! Why do you buy a stock? You want it to go up, right? You want to make money! You want people that when you're talking about sales and strategy and profits and cost cutting and all those things, their hearts are beating fast — and you also want people who are at risk. Our employees were part-owners. Home Depot made the best decisions it made for one reason. We watched that stock. A company



In front of a rapt audience, Kenneth Langone, left, was interviewed by Professor Charles Murphy to kick off the Langone Speaker Series.

is not a social instrument. It's not a place for poets, professors, and politicians. So what's the right thing on governance? You make sure people are paid right, that they earn it, and that the company does everything to the spirit as well as the letter of the law. You have no secrets, no special deals. You don't allow people to take advantage of the company. You ask, "If I could put all the owners in a room at one time, what would they likely do if they were here?" It's all predicated on doing the right thing for the owners; that's the fiduciary duty. This business about stakeholders, my foot! If a company blows up, the losers are the owners.

These people that sit on these boards that don't know a stock, don't know a hammer from a saw, what do they do? When you're talking about the environment or governance or social issues, they're alert and they're diving in. But talk about costs and market share and profits and growth, they glaze over. You can't do good if you don't have the wherewithal to do good. Business is not bad; business is good. People are bad.

CM: Ken doesn't cash his Social Security checks; he gives them away to charities. Why do you do that, Ken?

KL: I will get \$300,000 more from the government than I gave to the government. All of you, and worse, your children who haven't been born yet, are going to give the government \$400,000 more than they get. This is generational theft. My wife and I get almost \$4,300 a month. What's going on? Why not consider Social Security unemployment as insurance? If you don't win like I won, you get it. If you win like I won, you don't get it. There should be a safety net to allow you to live in your old age in dignity and with food and heat and so forth. But I leave here, I get

"It's tragic that public service doesn't attract the best and the brightest. We're going to pay a terrible price for it. We've got to figure a way out to bring the best back."

on my Global Express, I fly someplace. I go to one of my magnificent homes. You're giving me \$4,300 a month, for what?

AUDIENCE QUESTIONS

Q: What's your opinion on the idea of splitting up the chairman and CEO so that the chairman would be independent with his or her directors and the CEO would run the company?

KL: My opinion? Go to Europe. They've had split titles forever. I don't need any authority on a corporate board; I don't need any at all. This is nonsense.

Q: Regarding the controversy about CEOs making so many multiples of what their line employees make, do you think the CEO's compensation is really the problem?

KL: Are some chief executives overpaid? Yes. But I will tell you right now, I couldn't pay Frank Blake — he is now the CEO of Home Depot — I couldn't pay him enough if I paid him 10 times what he's making right now. Our market cap has gone from roughly \$30 billion to over \$115 billion.

Q: When do you think it's appropriate for business people to go into public service?

KL: We don't get the best people in America to go into public service, and for good reason. For lack of a better word, it's a cesspool. Think of the 11 percent approval rating of Congress. I would have no trouble going into public service, except I don't want to have to lie to get votes. It's tragic that public service doesn't attract the best and the brightest. We're going to pay a terrible price for it. We've got to figure a way out to bring the best back.

PROSPECTUS

Ellen Seidman Is Named the 2013-2014 Distinguished Citi Fellow in Leadership & Ethics



The NYU Stern Citi Leadership and Ethics Program announced **Ellen Seidman**, former US Treasury Department Director of the Office of Thrift Supervision, as the 2013-2014 Distinguished Citi Fellow. Seidman is a senior fellow at the Urban Institute, focusing on housing finance and community development. She served as visiting scholar to the Community Development Department of the Federal Reserve Bank of San Francisco in 2012 and 2013 and has been a research fellow of the Filene Research Institute since 2011. In 2012, she was appointed to the Consumer Advisory Board of the Consumer Financial Protection Bureau.

Seidman spoke to Stern undergraduates on campus in October, encouraging them to explore nontraditional career paths. She challenged students to think broadly about how business can help tackle two issues that have remained central in

her career: community development and consumer financial services. Seidman headlined the Citi program's annual conference for students and alumni on March 7.

The Citi Distinguished Fellows program identifies business leaders whose proven track records exemplify how business and government can address some of the world's most intractable problems, including poverty, homelessness, and environmental concerns, and stimulate sustainable economic growth.



Lord Mervyn King, former head of the Bank of England, was a visiting professor during the fall semester at NYU Stern in the economics department, as well as at NYU School of Law.

shorttakes

Lasse Pedersen, the John A.

Paulson Professor of Finance and Alternative Investments, has been awarded the Banque de France and Toulouse

School of Economics Junior Prize in Monetary Economics and Finance. Pedersen has also won the \$25,000 Whitebox Prize for Best Financial Research, along with his co-authors Tobias J. Moskowitz and Yao Hua Ooi, for their paper, "Time Series Momentum," published in the *Journal of Financial Economics* last May.

Richard Sylla, the Henry Kauf-



Lasse Pedersen

man Professor of the History of Financial Institutions and Markets, is featured in a documentary, *Money for Nothing*, that examines the future of the Federal Reserve and its impact on the American economy and society. The film, narrated by Liev Schreiber, opened in New York last September.

In August, IOMS and Marketing Professor **Anindya Ghose** gave the academic keynote at the Digital Summit 2013, hosted by the Indian School of Business in Hyderabad. He spoke on "Leveraging Big Data to Reach the Mobile Consumer" and moderated a panel on the applications of mobile analytics in the banking, consumer packaged goods, and digital advertising industries.

Thomas Cooley Professor of Eth-

ical Leadership **Jonathan Haidt's** book, *The Righteous Mind: Why Good People Are Divided by Politics and Religion*, received the 2013 Media Book Prize for the Promotion of Social and Personality Science from the Society for Personality and Social Psychology. The prize was awarded at the society's annual conference in Austin, TX.

Accounting Professor James Ohlson

has been awarded the American Accounting Association's Seminal Contributions to Accounting Literature Award for his paper, "Earnings, Book



James Ohlson

research roundup

Marketing Professor **Joel Steckel** and **Dimi Markovitch**

(PhD '04) of Rensselaer Polytechnic Institute examined the correspondence between the stock market's immediate reactions to new product introduction announcements and those products' subsequent commercial performance. Published in the *European Journal of Marketing*, the paper was chosen by Emerald Group Publishing as a Highly Commended



Joel Steckel



Christina Fang

Christina Fang, Arthur E. Imperatore Professor of Entrepreneurial Studies
Frances Milliken, and Jason Kim of Yonsei University explored how the systematic distortion of negative perform-

ance information might affect organizational learning and future performance. The paper is forthcoming in *Strategic Management Journal*.



Frances Milliken

Assistant Marketing Professor **Adam Alter**, **Eesha Sharma** (PhD '13), Dan Ariely, and Nina Mazar found that although people believe financial deprivation should not excuse immoral conduct, when they actually experience deprivation they apply their moral standards more leniently. The paper was conditionally accepted for publication in the journal *Organizational Behavior and Human Decision Processes*.

Assistant Professor of Marketing **Hal Hershfield** and H. Min Bang and Elke U. Weber of Columbia University found that citizens of older countries were more likely to invest in sustainability initiatives, which they suggest may be because the citizens inherently believe that their country's long past predicts a long future. Their paper will

appear in a future issue of *Psychological Science*.

Associate Professor of Management and Organizations **Lisa Leslie** and co-authors examined the psychological effects of affirmative action plans (AAPs). AAPs are designed to facilitate workplace success for members of the groups they target (e.g., women, ethnic minorities), yet may have the ironic effect of stigmatizing AAP targets and, in turn, decreasing their performance outcomes. This research is forthcoming in the *Academy of Management Journal*.

In "Rapid Invention, Slow Industrialization and the Absent Entrepreneur in Medieval China," presented at the American Philosophical Society's 2012 symposium on "Entrepreneurship and the Battle Against Poverty," **William Baumol**, Harold Price Professor of Entrepreneurship, and Ying Lowrey of Tsinghua University showed that China's recent decades of entrepreneurship have contributed to record growth in productivity and poverty reduction, even though its pace of invention is far slower than in the 13th century and earlier.

C. Samuel Craig, the Catherine and Peter Kellner Professor of Entrepreneurship and Arts and Media Management, explored the role of culture and its context, including the role of technology, in fostering the creation of cultural products in cities, in his paper "Creating Cultural Products: Cities, Context, and Technology," to be published in *City, Culture, and Society*.



C. Samuel Craig

In a paper published in *Management Science*, **Yuxin Chen**, Global Network Distinguished Professor of Business at NYU Shanghai, and Özge Turut of Turkey's Sabanci University investigated what firms should do when an innovative new product suffers from inferior performance on a key performance dimension compared with the product it replaces.



Yuxin Chen

Values, and Dividends in Equity Valuation." The award recognizes papers that have stood the test of time and have contributed in a fundamental way to later research.

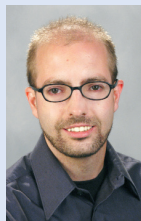
Written at the invitation of the American Bar Association, a 1,064-page treatise, "Trademark Surveys," by **Jacob Jacoby**, Merchants Council Professor of Consumer Behavior and Retail Management, integrates relevant intellectual property case law with scientific research practice.

In *The SAGE Handbook of Multi-level Modeling*, **Jeffrey Simonoff**, the Toyota Term Professor in Statistics, and his co-editors, Marc A. Scott at NYU and Brian D. Marx at Louisiana State University, gather a range of leading contributors to introduce the

theory and practice of multilevel modeling, those statistical models designed for longitudinal or panel data and clustered data that have become increasingly important in Big Data.

On October 4, Associate Marketing Professor **Tom Meyvis** was awarded his third *Journal of Consumer Research* "Outstanding Reviewer" award.

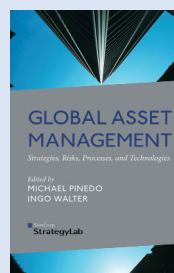
In October, IOMS Professor **Arun Sundararajan** delivered the lunchtime keynote address for the "Disruption Ahead" conference at the San Francisco Federal Reserve,



Tom Meyvis

speaking about how digital technologies like India's Universal ID facilitate inclusive banking and about the regulatory challenges of Bitcoin and the crowd-funding exemption of Title III of the JOBS Act.

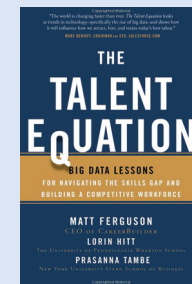
Global Asset Management: Strategies, Risks, Processes, and Technologies, edited by **Ingo Walter**, the Seymour Milstein Chair in Finance, Corporate Governance, and Ethics, and **Michael Pinedo**, the Julius Schlesinger Professor of Operations Management, was



published by Palgrave MacMillan in September.

Assistant IOMS Professor **Prasanna Tambe's** new book, *The Talent Equation: Big Data Lessons for Navigating the Skills Gap and Building a Competitive Workforce*, was published by McGraw-Hill in October.

Co-authors are Matt Ferguson, CEO of CareerBuilder, and Professor Lorin Hitt of the University of Pennsylvania's Wharton School.



ALL TOO HUMAN



FRAUD, ENVY, AND OPPORTUNISM CAN SHAPE AN ORGANIZATION AND ITS FATE

By **Marilyn Harris**

Corporations may or may not be people, but the managers who work for them certainly are, as the following three faculty research articles illuminate. They also describe how organizations change shape – or are forced to change – to accommodate their all-too-human executives.

In the first paper, David Yermack, the Albert Fingerhut Professor of Finance and Business Transformation, and his co-authors studied price-fixing by cartel companies. They documented a range of accounting and governance strategies that, they say, cartel firms adopt in systematic patterns, apparently with an eye toward prolonging their conspiracies and evading legal liability.

In the second, Assistant Professor of Management Claudine Gartenberg and her co-author scrutinized how corporate pay scales shift to accommodate for the extent to which employees know about each other's compensation, and how that peer comparison can affect productivity.

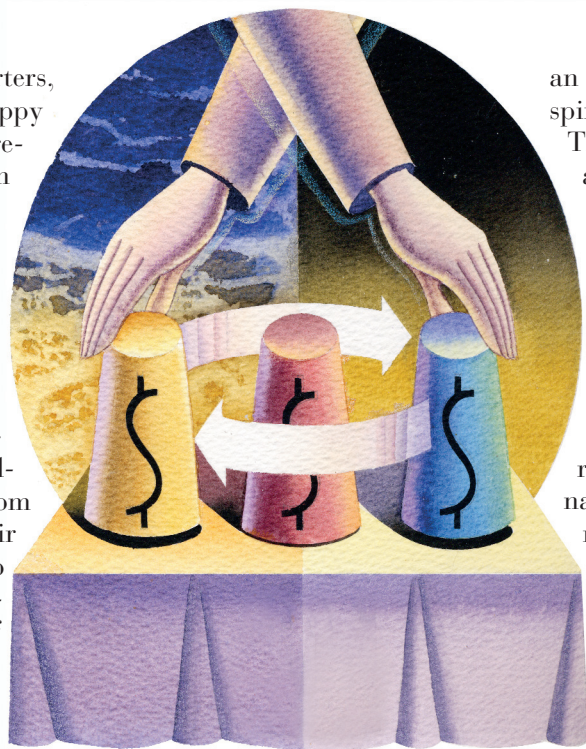
Finally, George Daly Professor of Business Leadership Joseph Porac and his co-authors studied a British Member of Parliament's fall from grace to determine if elite politicians and executives crash and burn so publicly because they have so many more opportunities to exploit or if their celebrity exposes them to extra targeting by the media that, in essence, forces them from office.

A HANDY GUIDE TO IDENTIFYING PRICE-FIXERS

COMPANIES THAT SEEK TO HIDE THEIR WRONGDOING SHARE SIMILAR CONCEALMENT STRATEGIES

For investigative reporters, prosecutors, and unhappy shareholders, new research from NYU Stern Professor David Yermack confirms what they have surmised for years: that managers of companies that seek to conceal wrongdoing have many effective tricks up their sleeves. Most interesting, in the case of the so-called cartel firms that Yermack studied, the firms, which colluded on price fixing, worked from very similar playbooks, and their pattern of behavior may well help to guide investigators tracking future suspected offenders. Of course, defense attorneys and general counsels of misfeasant cartel companies will be equally pleased by this research: now they can devise alternative strategies to avoid detection.

Yermack's paper, "Smokescreen: How Managers Behave When They Have Something To Hide," was co-written with Tanja Artiga González and Markus Schmid, of the Swiss Institute of Banking and Finance at the Universität St. Gallen. The authors studied financial reporting and corporate governance in 218 US companies accused by government authorities of participating in "hard-core" price-fix-



ing cartels between 1986 and 2010. The starting point and duration of the cartels were identified by enforcement actions brought by government authorities, totaling more than 1,500 firm years. The authors point out that their sample represents only a minority of the price-fixing conspiracies that occur worldwide.

The authors document a range of accounting and governance strategies that, they say, cartel firms adopt in systematic patterns, apparently with

an eye toward prolonging their conspiracies and evading legal liability. These patterns can be red flags to anyone closely following the company. To mislead readers of financial statements, for instance, companies engage in earnings smoothing and frequently reclassify the industrial segments for which they report line-of-business results. They file abnormally large numbers of financial restatements. In corporate governance, cartel firms favor outside directors who are likely to be inattentive monitors due to their status as foreign or "busy" (belonging to a large number of boards) and their low rates of meeting attendance. When directors resign, they are often not replaced, and new auditing firms are engaged significantly less often than expected.

In addition, since stability of the management team probably represents a necessary condition for continuing a conspiracy, cartel firms tend to promote CEOs from within, rather than hiring them from outside. They exhibit lower than expected rates of CEO replacement, controlling for performance, and feature abnormally large numbers of other managers who are chosen by the incumbent CEO. Cartel

managers exercise their stock options faster than managers of other firms. The authors also found a pronounced pattern of political donations by cartel firms, as their political action committees (PACs) donate more frequently to political candidates and in larger amounts than firms in a matched control sample.

As an example, the authors point out the pharmaceutical company Bristol-Myers Squibb was charged with participating in cartels in three different countries between 1999 and 2004. During this period, Bristol-Myers engaged in many of the practices the authors describe. The company reclassified its line-of-business segments nearly every year, constantly reorganizing them into different subcategories and at one point eliminating them altogether for a two-year period. Five years of earnings results were restated, including two years that were restated twice. The

company was sued twice during this period for securities fraud. It retained the same auditing firm for the entire cartel period despite the outward signs of financial reporting problems. Three new outside directors joined the Bristol-Myers board between 1998 and 2005. Two of the three fell into the “busy” category, with three or more board memberships, and the third was based in a foreign country. Five of the incumbent outside directors from the start of the cartel period also had busy status. Both CEOs who served during this period had been promoted internally. At the end of its cartel period in 2006, soon before it agreed to plead guilty to federal criminal charges arising from an antitrust investigation, Bristol-Myers appears to have undergone a governance and financial reporting overhaul. The CEO was replaced by an outside board member who had not previously worked for the company. The

firm changed auditors, replacing PricewaterhouseCoopers with Deloitte & Touche, and added a law-and-order independent outsider to its board, the former FBI director and federal judge Louis Freeh.

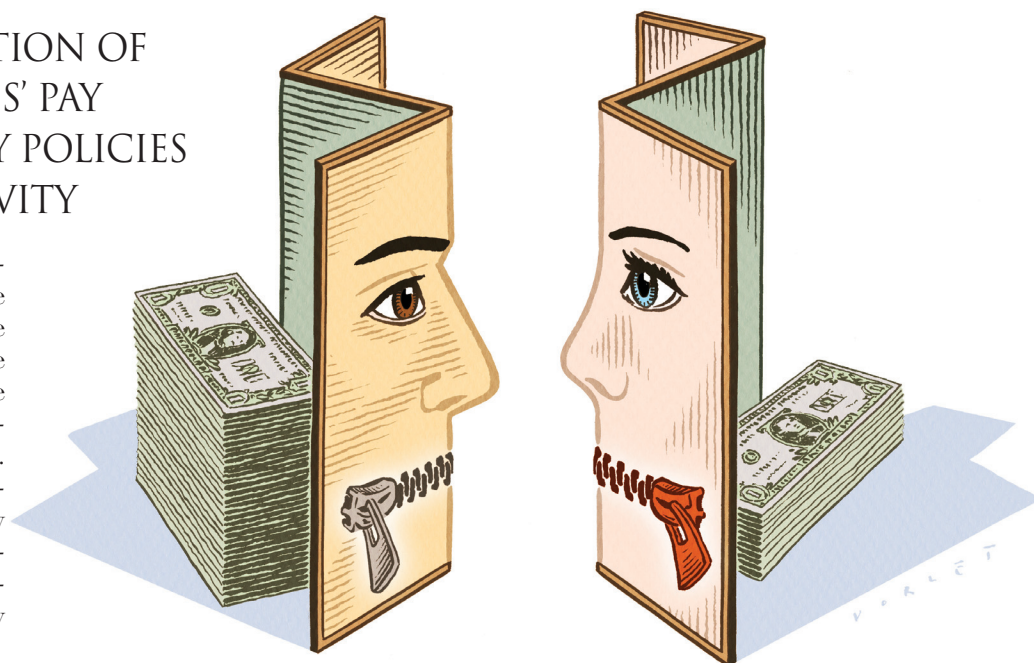
Yermack and his co-authors concluded by broadening their thesis to include firms that engage in financial wrongdoing other than price fixing: “While our results are based only upon firms engaged in price fixing, we expect that they should apply generally to all companies in which the managers seek to conceal wrongdoing.” Firms that may wish to employ the strategies Yermack describes, and their audiences, are sure to take note.

DAVID YERMACK is the Albert Fingerhut Professor of Finance and Business Transformation at NYU Stern. TANJA ARTIGA GONZÁLEZ and MARKUS SCHMID are professors at the Swiss Institute of Banking and Finance at the Universität St. Gallen.

I'LL HAVE WHAT HE'S HAVING

HOW YOUR PERCEPTION OF YOUR COLLEAGUES' PAY AFFECTS COMPANY PAY POLICIES AND PRODUCTIVITY

Just as children with toys or animals with food, adults in the working world want to make sure they're getting what the other guy has, and that for the work they do, they're getting paid equitably in comparison to their peers. Employees' curiosity about their colleagues' pay and how that curiosity plays out in regard to their productivity and ultimately their firm's compensation policy are the subjects of new



research by NYU Stern Assistant Professor of Management Claudine Gartenberg and her co-author Julie Wulf, associate professor at Harvard Business School.

The authors focused their study on the pay of division managers (heads of business units) at 300 large, well-established, publicly traded firms across a spectrum of industrial sectors between the years 1986 and 1999. This period provides a look at pay policies before and after what the authors consider a sea change event, the 1992 Securities & Exchange Commission proxy disclosure rule that mandated increased disclosure of executive pay. “The dataset is rather unique because it allows us to identify changes in pay within division manager positions over a 14-year period that is characterized by significant change in pay practices,” Gartenberg observed.

The authors looked at the trends in salary, bonus, and total compensation to determine the sensitivity of pay scales in firms that were both geographically dispersed and those that were concentrated. This distinction underscored the fact that managers located far apart had less access to what their distant counterparts earned than managers in the same

venue, who shared pay information more frequently.

The study revealed that the impact of the SEC ruling on disclosure included an equalizing effect on the pay of managers who were geographically distant from each other, whereas in firms whose managers worked in the same area, the pay levels remained relatively stable. According to the authors, “These patterns are broadly consistent with our claim that dispersed firms were differentially affected by the rule change and are consistent with more peer comparison leading to less pay disparity.” In other words, while managers who worked more or less together usually knew what each was paid, shortly after previously isolated managers were able to find out what their geographically distant peers were earning, the various groups’ pay was equalized across the board.

As for productivity, the authors also explored the interplay between that and greater pay transparency after 1992. They found that in firms with dispersed managers after the SEC mandate, individual pay was less a function of performance and at the

same time the division’s productivity suffered, driven by managers who were unhappy once they discovered they were at the low end of the wage scale.

The implication of these findings for top executives and compensation specialists is that designing compensation to be equitable across a particular level of management – so-called pay harmony – has advantages and disadvantages. On one hand, performance-based pay is well known to motivate employees, so if it is removed in order to achieve pay harmony, productivity tends to suffer; on the other hand, variations in pay among peers can create friction and also lower productivity. As Gartenberg said, “Altogether, our findings suggest that horizontal wage comparisons within firms and concerns for ‘pay harmony’ affect firms’ policies on setting pay for executives, and that firms face a tradeoff between the incentive effects of performance pay and the effects of peer comparison that arise from unequal pay.”

CLAUDINE GARTENBERG is an assistant professor of management at NYU Stern. JULIE WULF is an associate professor of business administration at Harvard Business School.

HOW THE MIGHTY HAVE FALLEN

TEMPTATION IS PLENTIFUL FOR ELITES,
AND SUCCUMBING TO IT IS EXTRA-HAZARDOUS

Perhaps it’s their sense of invulnerability, or perhaps the opportunities are just too tempting, but people in high positions seem to sin more frequently than others – or maybe it’s just that celebrity makes

even minor peccadilloes scandal-worthy. 2013 New York mayoral hopeful Anthony Weiner’s sexting was silly, but it wasn’t a high crime – and yet it spelled the all but certain demise of his political aspirations.

Joseph F. Porac, the George Daly

Professor of Business Leadership at NYU Stern, and four co-authors – Scott Graffin, Jonathan Bundy, James Wade, and Dennis Quinn – recently explored this phenomenon in their recent paper, “Falls from Grace and the Hazards of High Status: the 2009 British MP Ex-

pense Scandal and its Impact on Parliamentary Elites.”

The authors were interested in how high-status individuals exploit their advantage for their own self-interest in a way that ultimately undermines them; in a related investigation, they explored how such high-status individuals might be more scrutinized than non-elites for the same behavior and held to higher standards of conduct. Both these phenomena – elite opportunism and elite targeting by, say, the media – are typical explanations for such falls from grace. Porac and his colleagues picked the members of Parliament (MP) scandal because it contained the

requisite criteria: elite individuals; a situation where these individuals exploited their high status in violation of the organization’s rules; and ample media coverage, which played a significant role in shaping public opinion.

Their investigation into the general issue of the situational hazard associated with elites included an examination of career histories of the CEOs who won “CEO of the Year” awards from major business periodicals between 1999 and 2004. They compared this group’s rate of falls from grace (e.g., involuntary termination, leading the company to bankruptcy, being indicted) with that of a random sample of CEOs who didn’t win any awards. They found that 8 percent of those with no awards fell from grace, whereas 28 percent of those with five or more awards took a dive.

The 2009 parliamentary expense scandal involved improper use of a second-home allowance by members of



Parliament who maintained a home in their districts but also had to be in London during session. One aptly named MP in particular, Lord Douglas Hogg, expensed a £2,115 bill for his “moat” to be cleaned. Although the moat was actually a weed-clogged drainage ditch, the tabloids went to town on the phrase, pillorying Hogg. “By labeling it a moat, Hogg unwittingly triggered a media frenzy over the expense,” Porac said. The newspapers’ account caused a public uproar, embarrassed the Conservative Party leadership, and ultimately led to Hogg’s resignation.

Contrary to the authors’ expectation, opportunism like Hogg’s was no more rampant at the more elite end of the MP hierarchy than generally. Inappropriate expense behavior was so common throughout the ranks that the authors surmised that such abuses were “systemic” and probably due to a uni-

versal sense of entitlement.

However, Porac and his co-authors confirmed their hypothesis that the media focused an especially harsh light on the malfeasance of the more elite MPs – “the party leaders, ‘Old Tories,’ and other greedy grandees [who] were taking advantage of public funds.” According to Porac, “Our results suggest that audiences consider the same transgression as more intentional when committed by elites and attribute egregious transgressions to unsavory opportunism even when the transgressions are no different from those of lesser-status counterparts.”

The authors were cautious about tying targeting by the media to the elites’ higher rate of disgrace compared to their less elite counterparts,

but suggested that the “farrago of fascination” with elites’ bad behavior is at least an important linchpin in determining their ultimate fate: “Our research raises fundamental questions about the power of the media to influence the careers of elites, not just in publicizing elites’ transgressions but in shaping and channeling public opinions about such transgressions over time.”

JOSEPH F. PORAC is the George Daly Professor of Business Leadership at NYU Stern. SCOTT D. GRAFFIN is an associate management professor at the University of Georgia’s Terry College of Business, where JONATHAN BUNDY is a doctoral student. JAMES B. WADE is the Asa Griggs Candler Chaired Professor of Organization & Management at Emory University’s Goizueta Business School. DENNIS P. QUINN is a professor at Georgetown University’s McDonough School of Business.

PEER TO PEER

Student Life in Washington Square and Beyond

NYU Stern Freshmen Collaborate on Social Change

By **Lisa Lau**

“Give a spit. Save a life.” A simple but powerful slogan, this was the phrase employed by 633 NYU Stern freshmen to galvanize support for a nationwide campaign to register potential blood and bone marrow donors. On Friday, November 8, 2013, the entire Stern Class of 2017 hosted 10 drives at different NYU residence halls located throughout New York City to collect cheek swabs for the “Give a Spit” Challenge. The goal was to find a match for Sheldon Mba, a college student studying in North Carolina, who was diagnosed with aplastic anemia, a bone disorder that inhibits the production of blood. In addition to finding Mba a bone marrow match, students who participated in the Give a Spit Challenge made an impact nationally by registering potential donors.

“The statistics are staggering. Every four minutes, someone is diagnosed with a blood cancer like leukemia,” said Aria Finger, COO of DoSomething.org, one of the largest organizations for young people and social change in the US. “But only 30 percent of patients can find a bone marrow match within their families, which leaves all other patients relying on people just like you and me to join the registry in the hope of finding a match.” The Give a Spit Challenge was a central component of the Stern Undergraduate College’s Cohort Leadership Program. According to Scott Stimpfel, Stern Undergraduate College’s assistant dean of student engagement and innovation: “The Cohort Leadership Program offers students the opportunity to learn by doing, putting their classroom knowledge to work in innovative ways that create value for business and society. The Cohort Leadership Program creates an educationally stimulating environment of curricular and co-curricular experiences. We want to empower our students to use the tools of business to make a positive impact on society.”

The Stern Undergraduate College, in partnership with DoSomething.org, collaborated with Be The Match, a nonprofit that manages the bone marrow registry, to spearhead the 10 bone-marrow drives that took place around NYU. The Give a Spit drives were open to the



Stern Undergraduate College freshmen and DoSomething.org teamed up to drive social change and register potential bone marrow donors for Sheldon Mba, at center in gray cap, through the Give a Spit Challenge.

public, and Stern freshmen worked in shifts to register potential donors. Sheldon Mba visited NYU on November 8 to meet Stern students at the different drives. “It makes me feel overjoyed that someone out there might have a match in New York, and that could save their life,” said Mba.

During the fall semester, before the 10 Give a Spit drives were held, Stern freshmen collaborated within their 10 designated cohorts, or teams, to design social media strategies to raise awareness about the need for blood and bone marrow donors and to invite the NYU and New York City communities to attend the drives. Students implemented targeted marketing campaigns on popular platforms such as Facebook, Twitter, Vimeo, and Instagram to publicize the campaign through videos, event web pages, and images. In addition, students distributed t-shirts, posters, stickers, handouts, and informational brochures during the drives. “As a first-year business student, I expected to learn about business models in the classroom, but didn’t anticipate that I would be putting what I learned into practice in the real world so quickly, and in such a meaningful way. This has been an amazing hands-on experience,” said Stern freshman Adeline Guo. ■

MBA Student and Stern Alumnus Team Up to Bring Vision Care to the World

By Carolyn Ritter

“Five hundred million people in developing countries lose their vision because they don’t have eyeglasses,” explained MBA student Yaopeng Zhou. “Until now, there hasn’t been a reliable, inexpensive way to do eye exams, particularly in emerging markets where doctors are few. Instead, determining an eyeglass prescription requires large, expensive equipment and patient feedback, which can be challenging when there’s a language barrier.”

Tackling this problem head-on, Zhou and NYU Stern alumnus Marc Albanese (MBA ’08) have teamed up to develop a portable vision examination device, the Smart Autorefractor, which uses the camera of a smartphone combined with an add-on micro-lens array to measure refractive errors of the eye. “With just the click of a button today, we can generate an eyeglass prescription,” said Zhou, co-founder with Albanese of Smart Vision Labs.

Old friends, Zhou and Albanese met at Boston University more than 10 years ago while pursuing graduate degrees in biomedical engineering and working on a faculty project focused on imaging the human eye. Each went his separate way

after graduate school – Albanese pursued an MBA at Stern and transitioned into a career on Wall Street, and Zhou landed a position in GE’s Healthcare division.

In April 2012, Zhou hatched the idea for Smart Vision Labs, while simultaneously pursuing his own MBA at Stern. He reconnected with Albanese over drinks in Union Square and enlisted his help in making the Smart Autorefractor a reality. Not wasting any time, the two signed up for Stern’s Entrepreneurs Challenge. “It was amazing. Through a series of boot camps and workshops with expert mentors, we learned how to write a business plan, how to test our thesis, and how to tell our story to investors,” recalled Zhou. “Stern’s competition is almost another MBA in its own right,” added Albanese.

And so far, these two intrepid entrepreneurs are making quite a splash! After winning the top prize of \$75,000 in Stern’s New Venture Competition last May, Zhou and Albanese earned one of 10 coveted spots and \$100,000 in the Founder.org incubator. More recently, they won first prize and \$1 million in the healthcare category of Verizon’s Powerful Answers Challenge.

Coffers full and energized by the recent wins, Zhou and Albanese plan to hire more engineers, finish their research and development, refine the prototype, and bring their product to market. First and foremost, they plan to launch the product in developing countries. “Rwanda, for example, is high on our list of launch sites, with 10.5 million people but only 14 vision specialists,” explained Zhou. “We want to focus our efforts in markets where we can make the largest impact, including Africa, India, and South America.”

“By bringing diagnostic power directly to patients around the world, we’re going to change the field of vision care fundamentally,” claimed Albanese. “But even more important, our device is going to help change the world. In fact, we know that if you enhance someone’s vision in a developing country, you increase their monthly income



MBA student Yaopeng Zhou, on left, and alumnus Marc Albanese (MBA '08), on right, won more than \$1 million in venture funding for their business, Smart Vision Labs.

by 20 percent – that’s huge.”

When asked what their biggest hurdles have been so far, Zhou explained that prioritizing can be tricky. “Our vision for introducing the product in developing countries is not a traditional move for most start-ups. It’s more typical to see new products being launched in developed nations before they’re tested in emerging markets. We’re really flipping that model on its head.”

Albanese also shared some tips for fellow entrepreneurs: “Find an idea that you love and do it. Passion is what gets you through the long and demanding days that all new ventures face. And don’t underestimate the value of your network. We really can’t say enough about the NYU community and how Stern has supported our venture every step of the way.” ■

ALUMNI RELATIONS

Alumni News & Events

ALUMNI HOLIDAY CELEBRATION: COCKTAILS AT THE MORGAN LIBRARY & MUSEUM

On December 12, 2013, nearly 800 alumni and friends gathered at The Morgan Library & Museum to celebrate the holiday season and their shared Stern heritage. Attendees enjoyed reconnecting and reminiscing with former classmates, live music performances, hors d'oeuvres and cocktails inspired by the jazz age of supper clubs in New York City, and stunning exhibitions including the original manuscript of Charles Dickens's *A Christmas Carol*.



1. Vicki Morwitz, Harvey Golub Professor of Business Leadership; Peter Henry, Dean; and Geeta Menon, Dean, Undergraduate College
2. Courtney Raymond, Andy Raymond (MBA '11), Nina Kodery (MBA '11), and Jeanette Lee (MBA '10)
3. Members of NYU Stern's Alumni Council: Manish Somaia (BS '92); Alan Gallo (BS '87, MBA '90), Chair, Development Committee; and Terence Greene (MBA '97), Council Chairman.
4. Tiffany Chiang (BS '13, MS '13), Lauren Morgado (BS '12, MS '12), Ruby Chen (BS '12, MS '12), and Scarlett Lee (BS '12, MS '12)
5. Alumni enjoyed the exhibitions on display at the Morgan.
6. Peter Henry, Dean, welcomed the Stern community to the Alumni Holiday Celebration at The Morgan Library & Museum.
7. NYU Stern Alumni Council members James White (MBA '03) and Brian Zakrocki (MBA '06), Chair, Alumni Holiday Celebration Host Committee, and Vice Chair, Signature Events
8. Emanuel Schmalz (MBA '85), Virginia Kriegel, Richard Griffith (MBA '68), Anita Mizula (MBA '13), and Gerald Di Chiara (MBA '13)
9. Joseph Puglisi (BS '76, MBA '83) and Shirley Onacilla (BS '74, MBA '75)
10. In addition to the exhibitions, alumni enjoyed viewing Pierpont Morgan's 1906 Library (pictured here), study, and rotunda.
11. William R. Berkley (BS '66), Vice Chairman, NYU Board of Trustees, and Chairman, NYU Stern Board of Overseers; and Joan Barry McCormick, Associate Dean, Development & Alumni Relations
12. Paolo Sintobin (BS '13), Maria Reyes-Gaskin (BS '13), and Emily Yang (BS '13)

Ambassador Carla A. Hills Honored by NYU Stern Haskins Giving Society

On April 23, hundreds of NYU Stern's Haskins Giving Society members gathered at Gotham Hall in New York City for the 35th annual Haskins Award Dinner. The evening celebrated Stern's most generous and dedicated donors and honored Ambassador



Carla A. Hills, Chair and Chief Executive Officer of Hills & Company International Consultants. Ambassador Hills has had a long and distinguished career, having served in the cabinets of Presidents George H.W. Bush and Gerald R. Ford and also as an assistant attorney general in the Ford administration.

Visit sternalumni.nyu.edu/haskins to learn more about the Haskins Giving Society and to become a member.

Catching the Momentum

At the third annual NYU Stern Scholarship Reception on March 10, nearly 150 scholarship donors and recipients gathered to celebrate the generosity and accomplishments that bind them together. This year's event, the first since the launch of NYU's \$1 billion Momentum Campaign for scholarships, recognized the generosity of the donors and provided them with a firsthand look at how their contributions have positively affected the lives of deserving and exceptional Stern students.

In addition to heartfelt remarks from Peter Henry, Dean, and Geeta Menon, Dean of the Undergraduate College, guests heard from William R. Berkley (BS '66), Vice Chairman, NYU Board of Trustees, and Chairman, NYU Stern Board of Overseers, who delivered an inspiring message on behalf of the scholarship benefactors. Speaking from the students' perspective, Ritika Gawande (BS '14) shared the story of her journey from India at age 11 to a full-time investment banking position at JP-Morgan that she will begin following her graduation this spring. Michael Taylor (MBA '14) also elaborated on the transformative power of scholarships, including the role Stern has played in his transition to civilian life from his career as a Black Hawk helicopter pilot in the US Air Force.



Top image: Alan Gallo (BS '87, MBA '90), Stern Scholars Endowed Scholarship Donor, gathers with undergraduate scholarship recipients.

Bottom image, from left to right: Elizabeth Neary (MBA '14), Harvey Beker Scholar; Harvey Beker (MBA '75); Mariel Alvarez Delgado (MBA '15), Harvey Beker Scholar



To learn more about the Momentum Campaign and to support scholarships at NYU Stern, please visit sternalumni.nyu.edu/momentum or call **212-998-4040**.

REUNION 2013

Reunion 2013, held on October 5, brought together more than 500 alumni and friends, who traveled from nearly 15 countries in celebration of 25 classes and 50 years of Stern graduates. Alumni reconnected with beloved faculty, reminisced with old friends, and networked with new ones during a day of timely and relevant programming on campus. The celebration continued into the evening with class cocktail receptions, dinner, and dancing at the Waldorf Astoria. For more information on Stern's reunion program, visit the website at www.sternalumni.nyu.edu/reunion.



1. Bob Schneck, Cora Fung (BS '98), Jay Horowitz (BS '68), Mitchel Askinas (BS '68), and Myrna R. Askinas raised a glass to their shared Stern heritage.

2. Samuel Dawidowicz (BS '73, MBA '76), and Earl Cabbell (BS '73, MBA '75) talked with Dean Peter Henry.

3. Professor Aswath Damodaran, Kerschner Family Chair in Finance Education, presented a lecture on valuation.

4. Alumni returned to campus for programs presented by Stern faculty, as well as a luncheon during the day.

5. Longtime friends and former classmates reconnected with each other on campus.

6. The MBA Class of 2003 and the Executive MBA Class of 2003 gathered for a group photo.

7. Phyllis Putter Barasch (MBA '81), NYU Trustee and President of the NYU Alumni Association, on right, welcomed alumni back to campus at the luncheon.

8. Monica Huang (MBA '98), Allison Zivin (MBA '98), Michael Ronen (MBA '98), and Shira Ronen (MBA '98) celebrated their 15th reunion.

9. Hundreds of alumni celebrated Reunion 2013 with evening cocktail receptions and a gala dinner at the Waldorf Astoria.

10. Arathi Krishnamurthy Cole (MBA '08), Charles Cole (MBA '08), Sheetal Doshi (MBA '02), Milan Doshi (BS '98), and Rushabh Doshi (BS '98) posed for a photo.

11. Emelyn Ebeyer (MBA '08), Jason Brodsky (MBA '08), and Fortunato Pizzimenti (MBA '08) celebrated their fifth reunion at Stern.

12. Alumni displayed their Stern spirit by donning violet accessories in the photo booth.



SHOW US YOUR STERN SPIRIT



Following a strong 2013 season, the Stern alumni softball team celebrated their second-place finish in the NYU alumni softball tournament.

Where have you taken your Stern pride?

Send us a photo at alumni@stern.nyu.edu for chance to be published in an upcoming issue of STERN*business*.

NEW DATE

Save the Date: REUNION 2014 on November 7-8, 2014

The annual NYU Stern tradition will continue in 2014 by honoring the quinquennial reunion classes of 2009, 2004, 1999, 1994, 1989, 1984, 1979, 1974, 1969, 1964, and more. The weekend will begin with a Friday evening celebration at the Waldorf Astoria and continue on Saturday, in conjunction with NYU's Alumni Day, with daytime programming from our world-renowned faculty. To join your Reunion Committee or to make a gift in honor of your class, visit the Reunion 2014 website at www.sternalumni.nyu.edu/reunion.



Keep Current - Stay Connected

Have you changed your name, job, or address? Update your information online at alumni.nyu.edu/address-change or by calling 212-998-4040 to receive important updates about the School, information on career services, and invitations to alumni events in your area. Help us to be environmentally responsible by providing your **e-mail address**.

Join the Conversation

The Stern community is 100,000+ strong and in more than 125 countries. Make connections, find friends, and share information and updates.

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class notes

Send us your news, update your contact information, and access the contact information of your fellow alumni through NYU SternConnect, Stern's online alumni community, at www.sternalumni.nyu.edu.

1950s

Carl Steinhouse (BS '52), of Naples, FL, has written and published his 10th book, *Now What?: The Irreverent Memoirs of a Daydreamer, Counterspy, Prosecutor, Defense Attorney, and Adventurer*.

1960s

Patricia Adams (BS '63), of Somers, NY, has recently started her second career, transitioning from human resources to the music industry. She attended the New England Conservatory, specializing in Contemporary Improvisation, and is now a jazz and blues vocalist.

William Keller (MBA '63), of Port Washington, NY, was named Vice President for Finance and Administration of Queens College in Flushing, NY.

1970s

Michael K. Bronstein (MS '72), of North Woodmere, NY, was elected to the Board of Trustees of Queens Botanical Garden.

Michael K. Lorelli (MBA '73), of Darien, CT, has been named Executive Chairman of the Board of Rita's Italian Ice, which has more than 600 outlets in 20 states.

Mark E. Gaumont (MBA '75), of Mill Valley, CA, has been elected to the Board of Directors of Cliffs Natural Resources Inc.

Edward M. Kerschner (MBA '75), of New York, NY, has joined Emerging Global Advisors as Vice Chairman.

Birinyi Laszlo (MBA '75), of Fairfield, CT, has written a book, *The Master Trader*.

Martyn R. Redgrave (MBA '78), of New Albany, OH, was appointed to the Board of Directors of AFC Enterprises, Inc., the franchisor and operator of Popeyes® restaurants.

Emily Sanders (MBA '78), of Atlanta, GA, has been named to the Advisory Board Council of her company, United Capital Financial Advisers, where she is a Managing Director. She is also co-chair of the national Women's Initiative.

1980s

Marisa J. Harney (MBA '80), of New York, NY, has been appointed Vice President and Chief Risk Officer of GE Capital Americas, GE Capital's North American lending and leasing business.

Steven A. Ruggiero (MBA '83), of Greenwich, CT, has joined R.W. Pressprich & Co. as Managing Director and Head of Research.

Marina C. Weitzner-Lewin (MBA '83), of New York, NY, was named one of the "50 Leading Women in Hedge Funds" by *The Hedge Fund Journal*. Weitzner-Lewin is the Head of Sales for Asset Servicing in the Americas and Global Head of Sales for Alternative Investment Services at BNY Mellon.

John J. McAvoy (MBA '87), of Brewster, NY, has been appointed President and CEO of Con Edison by the utility's board of directors.

Stanley M. Satty (MBA '87), of Stamford, CT, has joined NetPublications Inc., a printer and book publisher, as Director of Marketing.

Richard Silverman (MBA '87), of Palmetto Bay, FL, was named CFO at DeliverLean.

Michael Taglich (BS '87), of Huntington, NY, has joined the Board of Directors of Bridgeline Digital, a web engagement management company.

George S. Barrett (MBA '88), of Columbus, OH, was listed on the STEMconnector "100 CEO Leaders in STEM" list. Barrett is the Chairman and CEO of Cardinal Health.

Diane Ferguson (MBA '88), of Purdys, NY, recently joined Mizuho Bank USA as Head of Financial Institutions.

José V. Pagán (MBA '88), of Guaynabo, Puerto Rico, has been named the interim President of the Government Development Bank of Puerto Rico.

Claudia B. Slacik (MBA '88), of New York, NY, has joined the Export-Import Bank of the United States as Chief Banking Officer and Senior Vice President for export finance.

Michael Geltzeiler (MBA '89), of Ridgefield, CT, has joined ADT as the company's CFO.

Stephen R. Howe, Jr. (MBA '89), of Pleasantville, NY, was listed on the STEMconnector "100 CEO Leaders in STEM" list. Howe is the CEO and Americas Area Managing Partner at Ernst & Young.

1990s

Anastasia F. Critides (MBA '90), of London, United Kingdom, was named one of the "50 Leading Women in Hedge Funds" by *The Hedge Fund Journal*. Critides is an Executive Director at Morgan Stanley International.

Pamela Gill Alabaster (MBA '90), of Pelham, NY, has been appointed to lead the Global Corporate Responsibility function at The Estée Lauder Companies.

Clyde Rasheed Hosein (MBA '90), of Los Gatos, CA, has been named Executive Vice President and CFO of RingCentral, a cloud business communications solutions provider.

Ivo Pezzuto (BS '90), of Milan, Italy, has written a book, *Predictable and Avoidable: Repairing Economic Dislocation and Preventing the Recurrence of Crisis*. Pezzuto is a Professor of Economics and Management at Università Cattolica del Sacro Cuore in Milan, Italy, a Business and Scenario Analyst, and Management Consultant.

William A. ("Biff") Pusey, Jr. (MBA '90), of Rockville, VA, has joined the Investment Team at Keel Point Advisors, LLC.

Robert C. Schroeder (BS '90), of Oakland, NJ, has joined the board of directors of Global-Wise Investments, a Columbus, OH-based enterprise content management provider. Schroeder is Vice President of Investment Banking at Taglich Brothers.

Timothy Cawley (MBA '92), of Wilton, CT, was named President and CEO of Orange and Rockland Utilities.

Teresa M. Heitsenrether (MBA '92), of New York, NY, was named one of the "50 Leading Women in Hedge Funds" by *The Hedge Fund Journal*. Heitsenrether is a Managing Director and the Global Head of Prime Brokerage at JPMorgan.

Peter J. Eliopoulos (MBA '93), of Larchmont, NY, has been appointed to the Board of Trustees of the Buffalo Philharmonic Orchestra Society (BPO). Eliopoulos is a Senior Vice President and CMO of M&T Bank and Wilmington Trust.

Lawrence Griff (MBA '93), of Purchase, NY, has become the leader of the Consumer and Industrial Products industry team at Grant Thornton LLP in New York.

John Kahan (MBA '93), of Mercer Island, WA, has joined the Board of Directors of Symphony Teleca Corporation, a global innovation and development services company.

Gary Starr (MBA '93), of Rye Brook, NY, has joined Affinity Solutions as CFO.

Mignon Winston (MBA '93), of Brooklyn, NY, has been promoted to Senior Vice President of First Capital.

Alfred Wong (MBA '94), of Hong Kong, was appointed to the Board of GigaMedia Limited as an Independent Director.

Bill Chimos (BS '95), of New Rochelle, NY, has been named Partner of Zetlin & De Chiara, a New York-based law firm serving the construction, design, and real estate industries.

Antonio C. Albanese (MBA '96), of Branchville, NJ, has been named Vice President of Surety at Freedom Specialty Insurance Company.

Natalie A. Birrell (MBA '96), of Westfield, NJ, was named one of the "50 Leading Women in Hedge Funds" by *The Hedge Fund Journal*. Birrell is a Partner and Chief Operation Officer of Anchorage Capital Group, LLC.

Christopher C. Poer (MBA '96), of Browns Summit, NC, has been named Vice President of Sales and Marketing at ENKI, a provider of cloud services.

Randle Schumacher (BS '96), of Del Mar, CA, wrote and produced the feature film "3 GEEZERS!" released by Warner Brothers/Gravitas Ventures in 2013.

Business as a Force for Good



Anne Black (MBA '99)

Embodying the ideals of her alma mater, Anne Black is using her business education to effect positive change in the world. As Chief Operating Officer of the donor-advised fund Goldman Sachs Gives, she helps to direct some of the firm's vast charitable resources to underserved communities around the globe.

After working for three years at advertising agency Young & Rubicam, Black came to NYU Stern to supplement her marketing experience with general business knowledge. She appreciated the School's diverse and international student body. It was through her professors, coursework, and fellow students that she began to realize how a business school education could be a force for good. "Stern opened my eyes to the wider world. For example, Professor Nouriel Roubini's economics class gave me a broader understanding of world markets and emerging economies. This all made me see that it wasn't just about landing a job after graduation.

I wanted to feel good about my impact on the community, too," she said.

Although land a job she did – as Vice President of Operations at IAC – a media and Internet company. While Stern gave her the platform to pivot into a different role within the media industry, her interests again turned toward doing good for society when she had the opportunity to learn about corporate philanthropy while at IAC. She eventually became a fundraiser at the American Museum of Natural History and began focusing full-time on her philanthropic interests, and, she noted, "My MBA degree instilled confidence in the people who I was pitching for support, and they appreciated that I understood the business world." Black joined Goldman Sachs in 2008 to work on the firm's 10,000 Women initiative, a five-year, global initiative to provide 10,000 female entrepreneurs around the world with business and management education, access to mentors and networks, and links to capital. While existing within the much larger organization of Goldman Sachs, 10,000 Women allowed Black to experience the type of exhilaration – and pressure – that is typical for executives of start-ups. "Through robust measurement and evaluation, we truly know that women are building businesses and creating jobs. It's really inspiring."

Black transitioned to her position on the Goldman Sachs Gives team in 2011. Today a typical work day for Black could mean evaluating the firm's support of relief efforts following a global disaster like the typhoon that struck the Philippines last November. Or, it could include deepening the firm's relationship with the military veteran community, through its support of organizations like The Mission Continues, which helps returning veterans gain transition skills as they "redeploy" back home in the US. According to Black, "The organizations we partner with are best-in-class and have inspired many of us in their commitment to service and patriotism to our country."

Reflecting on her journey, Black observed, "My fascination for both the differences and the commonality among humanity, combined with my passion for learning, has led me down a career path that I find both personally and professionally fulfilling."

Susan Vissers Lisa (MBA '96), of Sudbury, MA, was named Vice President of Investor Relations at Boston Scientific Corporation.

Joseph A. Molluso (MBA '97), of New York, NY, has been appointed Executive Vice President and CFO at Virtu Financial.

Kenneth Eissing (MBA '98), of Charlotte, NC, has been appointed to the position of Chief Operating Officer, North America of Mood Media Corporation.

Michael Munter (MBA '98), of Scarsdale, NY, has been named Chief Operating Officer of the Symphony Post Acute Network, an inte-

grated post-acute provider of care and services to more than 4,500 patients in the Chicago area.

Christopher T. Blanco (MBA '99), of Fairfield, CT, has been promoted to Executive Vice President, CFO at News America Marketing.

Christopher Downie (MBA '99), of Rumson, NJ, has assumed the role of CEO of The Telx Group, a New York-based provider of data center services. Downie is also President and CFO of the company.

Patrick F. Farrell (MBA '99), of Jamaica Plain, MA, has been appointed Chief Operating Officer of Charitybuzz, a luxury charity auction website.

Arthur A. Ferri (PhD '99), of Manalapan, NJ, was named to oversee the new Billtrust B2B Sales Index. The Index, to be published monthly, is an indicator of current and trending US economic conditions, based on a reliable sampling of business-to-business invoice activity.

Anders W. Hall (MBA '99), of Durham, NC, has joined Vanderbilt University as its new Chief Investment Officer.

Lisa Kay Solomon (MBA '99), of Rancor, PA, co-authored *MOMENTS OF IMPACT: How to Design Strategic Conversations That Accelerate Change*, which was published in February 2014. Solomon is a faculty member at San Francisco's California College of the Arts, in the MBA in Design Strategy program.

Mark Lakin (BS '99), of New York, NY, is co-founder of Epic Road, a luxury travel company that specializes in humanitarian and conservation custom vacations.

Kathleen O'Neil (MBA '99), of Wrightsville Beach, NC, joined Calpont Corporation as Vice President of Marketing.

Jane K. Viau (MBA '99), of New York, NY, was one of 50 teachers profiled in the book *American Teacher: Heroes in the Classroom* by Katrina Fried.

Andrew M. Yorks (MBA '99), of Armonk, NY, has been appointed Senior Vice President at Lincoln Financial Group, where he will serve as the head of Markets and Investment Strategy.

2000s

Dustin Ball (MBA '00), of Hong Kong, was promoted to Country Manager, Vietnam at MetLife.

John Paul Elton (MBA '00), of Westmount, Canada, has joined Greycroft Partners, a venture capital firm, as Partner.

Brandon Young (MBA '00), of Cos Cob, CT, has been appointed Chief Operating Officer

of Southport Lane's reinsurance holding company Southport Re, and Senior Vice President of Southport Lane.

Giridhar Gururaja (MBA '01), of Brooklyn, NY, was appointed to the Board of Directors of Harlem Educational Activities Fund. He is currently a Senior Technology Leader at MetLife.

Ann R. Hollins (MBA '01), of Westfield, NJ, has joined Weight Watchers International as Chief Human Resources Officer.

Lalit Jhangiani (MBA '01), of Vernon Hills, IL, joined BMO Global Asset Management as a Director, Senior Securities Lender/Trader.

Melissa Sheer Lipschitz (MBA '01), of Summit, NJ, founded a financial public relations and communications firm, Kent Place Communications, of which she is President.

William Wu (BS '01), of Diamond Bar, CA, married Dolly S. H. Wu on November 25, 2012, at The W Hotel in Taipei, Taiwan.

Teresa Black (MBA '03), of Scarsdale, NY, has been appointed Senior Vice President and Chief Operating Officer of ACE USA Surety.

Jashin R. Patel (MBA '04), of Hoboken, NJ, has joined Cantor Fitzgerald as a Managing Director, focused on non-agency residential mortgage-backed security trading.

Daniel Rubin (MBA '04), of New York, NY, has joined Rosen Partners LLC, a New York-based real estate investment firm, as Managing Director and Head of Private Equity.

Christopher Schaefer (MBA '04), of Long Island City, NY, has joined PharMerica Corporation as Senior Vice President of Corporate Development.

Michelle Schiano (MBA '04), of New York, NY, has been hired as Executive Vice President, Marketing at Kinetic Social. Kinetic serves the high-growth segment of the social media advertising market with premium targeted social marketing management and optimization.

Mark Imhof (MBA '06), of New York, NY, is a Certified Public Accountant (CPA) in the states of New York, New Jersey, Pennsylvania, and Florida. He is also a Certified Internal Auditor.

Rakesh Mani (BS '06), of Chicago, IL, has joined Booz & Company as an Associate in their Chicago office.

Defining Moments

Edward Gilligan, President of American Express, can trace his long and successful tenure at the financial services company to one fateful moment during his days as an undergraduate at NYU Stern: when he spied an American Express posting on a campus job board. He applied to and landed the two-week assignment. Those two weeks led to a six-month temporary job, then to a part-time job, and finally to a full-time position upon graduation.

Gilligan, a Brooklyn native, had taken a year off after high school to work and give serious thought to his future. Once he decided to embark on a business career, the idea of attending Stern and continuing to work part-time made complete sense, he explained: "I loved going to school in the Village, and it was close to where I worked. I could tell in that moment that the education I was getting was relevant to what I was doing. By the time I graduated, I felt really well prepared. My experience at NYU Stern made me sure about what I wanted to do and got me off to a great start at an incredible company. It changed the trajectory of my professional and personal life."

Gilligan attributes his success largely to his ability to adapt to change and his willingness to turn any challenge into an opportunity. There has been no shortage of either change or adversity during his 30-year run at the company, although the first crisis to really test his mettle as a manager was 9/11. Headquartered across the street from the World Trade Center, Gilligan's division lost 11 employees in the tragedy. The challenge of dealing with the emotional trauma, coupled with the physical loss of the office, was only intensified in the aftermath by the immediate business ramifications. He recalled: "I ran the corporate-card and travel business, and there was a hit taken by the travel industry. I had to help rebuild the business and deal with the loss of employees – that was very difficult. And we had to find work space for 5,000 people within a couple of weeks. There is no playbook for something like that."

The recession of 2008, a crisis of a different nature, was the second defining moment of Gilligan's career and a turning point for American Express. Like the rest of the banking world, American Express had to reassess its role in what was suddenly a vastly different environment. In this new era of economic uncertainty, increased regulation, and technology that is rapidly changing consumer behavior, Gilligan has rallied his team to embrace change, not fight it. Now, he maintains, the 163-year-old company has never been in better shape. He has pushed American Express, no longer competing solely with other credit card providers, to transform its culture into one of innovation. He has helped the company reinvent itself through unique partnerships with companies like Delta Airlines, Facebook, Twitter, and Apple, and has managed to help it stay relevant by finding interesting solutions to customers' everyday problems. Case in point: New York City taxi riders can now pay their fares with American Express Membership Rewards points. Gilligan sums up his and the company's positive outlook: "This is a great company. We exist to make our customers successful."



Edward Gilligan (BS '82)

Shantanu Mukherjee (BS '06), of New York, NY, married Anisha Bhasin in Edison, NJ, at the Trump National Golf Club.

Benjamin Block (MBA '07), of New York, NY, married Justine Lelchuk on July 13, 2013.

Mikhail Medvedev (BS '07), of New York, NY, has been promoted to Manager of Broadway Finance at The Walt Disney Company.

Bas NieuweWeme (MBA '07), of New York, NY, has been named Managing Director and Head of Institutional Distribution at ING US Investment Management.

Yuriy A. Prilutskiy (BS '07), of New York, NY, married Susannah Geltman on September 21, 2013, in Millbrook, NY.

Daniel P. Schapira (MBA '07), of New York, NY, married Ethan Felson on October 20, 2013, in Manhattan.

Mark J. Sullivan (MBA '07), of Larchmont, NY, has joined the Stonehaven, LLC team as a Managing Director and Partner.

Eric Z. Grey (MBA '08), of New York, NY, married Erica White in Vermont on October 19, 2013.

Kieran Harrington (MBA '08), of Brooklyn, NY, was promoted to Rector at Saint Joseph's Church in Prospect Heights.

Sam Howard (BS '09), of Santa Monica, CA, married Alyssa Cass on October 26, 2013, in Texas.

Jaspal Singh (MBA '09), of Princeton, NJ, is part-owner and CFO of Odyssey Specialty Vehicles, an emergency vehicle manufacturer.

2010s

Anne Becker (MBA '10), of New York, NY, married Randy Wolfe on October 26, 2013, at the Franklin Institute in Philadelphia, PA.

Haley Borisoff (MBA '10), of London, United Kingdom, and her husband Shawn welcomed a daughter, Brynn Isla Borisoff, on August 31, 2013. Brynn joins her big sister Payton Gabrielle, age 2.

Bhavna Toor (MBA '10), of Astoria, NY, was named an Entrepreneur in Residence by GSF, a provider of seed funding to promising Indian start-ups. Toor is interim CEO of India's National Social Entrepreneurship Forum, a platform for social innovation and change.

John Arias (MBA '11), of Larchmont, NY, and his wife, **Noa Yemini Arias (MBA '09)**,

From Cuba to Citi



Maria Hermida (BS '87)

As a Cuban refugee, it was hard for Maria Hermida, Chief Ethics Officer of Citigroup, to envision exactly what shape her career would take, but she knew that her NYU Stern education would give her the foundation she needed to succeed in whatever endeavor she chose.

Maria's parents had emigrated from Spain to Cuba as teenagers to escape the oppression of the Franco regime, only later to be swept up in the political upheaval of Fidel Castro's rise to power in Cuba. After her birth, the family was allowed to travel back to Spain before subsequently moving to the US. Maria recalled her arrival in New York City at age four very vividly. "It was so cold and dark compared to Spain. I thought if I pretended that I couldn't learn English, they would send me back," she

confessed. Unable to feign ignorance for very long, Maria made friends with her new classmates and acclimated to life on Manhattan's Upper East Side. She grew up watching her mother earn her way to a master's degree, and dreamed of one day becoming a doctor. Guided and supported by "wonderful mentors," she secured a part-time job at Mount Sinai Hospital while still in high school, although her dreams of becoming a physician were quickly dashed when she realized she couldn't stomach the sight of blood.

With medical school no longer an option, Maria gained inspiration from her best friend, who was a Stern freshman at the time. Maria explained, "I would visit my friend and see how much was going on at Stern and how much energy there was. It was so much more upbeat than the hospital!" Her mother was concerned that their financial circumstances put the School out of their reach, but Maria was awarded a scholarship that would change the path of her family's future. Of her many positive experiences at Stern, she found the vast array of internships she undertook – everything from working at a start-up waste management company to a high-end art gallery – to be "incredible." She attended law school after college and explained how her business education has benefited her as a lawyer: "It has enabled me to help clients understand how changes in laws, regulations, or policies can affect their businesses."

Working her way from private practice to in-house counsel at an insurance company, Maria joined Citigroup in 2004 and held positions of increasing responsibility at the company until being promoted to Chief Ethics Officer. In this role, she oversees the company's Global Ethics Office, developing its code of conduct and related training for staff in more than 100 countries, and coordinates the investigation of concerns raised through Citi's ethics process. She returned to Stern recently to meet with students through the Dean's Leadership Roundtable program, and was just as impressed with the current student body as she was as a prospective high school student. She remarked, "Stern students are not just intellectually curious – they are vocal about it. They are not afraid to engage in a dialogue with their professors and ask tough questions. It's very exciting to be surrounded by people who are all so proactive about their futures. I remember having that feeling when I was a student at Stern and the future looked so bright."

Investment Talent Scout



Alexey Loganchuk (BS '06)

As a high school student in Prague and Toronto, Alexey Loganchuk already knew he wanted to study business and to live in New York City. “Watching my father rise from humble beginnings through business was a huge source of inspiration for me while growing up,” Loganchuk said. “I wanted to follow in his footsteps, and there are few better places in which to learn about business than New York.”

He began to realize his dream as an undergraduate at NYU Stern. The School afforded him “an extraordinary opportunity” to discover what he enjoys doing, he said. “I appreciated the ease with which you can step outside the business school bubble at Stern – be it into the broader NYU community or into the city. That perspective allowed me to understand that I didn’t have to limit myself to a linear career path.”

As a senior, Loganchuk started working full time for JPMorgan’s exotic derivatives business in London while taking independent studies courses remotely to complete his Stern degree. He went on to work as a risk exploration and transparency (RET) analyst in Tokyo, an exotic derivatives trader in Hong Kong, and a convertible bonds trader in New York, all for JPMorgan. “Being RET’s first rep in Asia, I was able to shape a lot of what the team did,” he recalled. “When the financial crisis hit in the middle of my time in Tokyo, I came to be associated more with fire-fighting – mitigating risks as we were seeing them blow up – rather than simply providing senior management with forward-looking guidance. I worked with developers and quants to design and implement dozens of new systems and processes.”

“Still, our development work could only go so far,” Loganchuk recounts. “There was always a human element in the machine – and there was only so much we could do to improve it. Even if chronic underperformers were fired, we lacked the screening tools necessary to ensure prospective replacements would fare better in the long term. I was surprised to hear friends at other firms say they struggled with the same problem.”

That experience helped guide him to found his latest venture, Upgrade Capital. In September 2011, Loganchuk launched the firm with the goal of providing buy-side firms with a Web-based platform to help with recruiting decisions. Instead of using the traditional model of screening résumés, Upgrade Capital identifies young people with a passion for investing by gathering and assessing performance records, trade ideas, and activity data. Currently, Upgrade Capital is representing Fortress Investment Group in engaging more than 1,200 students across 20 universities – “NYU among them, of course,” Loganchuk added.

One obstacle Loganchuk faces more often than he’d like is institutional inertia: having to persuade companies to adopt Upgrade’s innovative approach to recruiting. “Generally speaking, getting people to make the leap from agreeing that proposed changes make sense to actually implementing those changes has been, and continues to be, my biggest challenge,” he lamented. Techniques he learned at Stern, most notably in the Management and Organizational Analysis course, helped him overcome that resistance. Loganchuk explains: “It’s about building a sense of ownership among key stakeholders: communicating our vision in such a way as to encourage constructive input and then acting quickly on it.”

As his career progresses, Loganchuk finds himself increasingly appreciative of his Stern education. “The School has done a great job of preparing generations of students for extraordinary success,” he reflected. “You feel that history very strongly at Stern.”

founded an Internet start-up, Cribsters.com, which helps individuals find and review child care providers across the country.

Brian H. Kantarian (MBA '11), of Rye, NY, married Kathryn Goodenough at the Rye Presbyterian Church on September 7, 2013.

Matthew Z. Kidd (MBA '11), of Melrose, MA, has been named Executive Director of Reaching Out MBA, Inc.

Kanan B. Bhatt (MBA '12), of New York, NY, married Ravi Shah on October 20, 2013, in Somerset Park, NY.

Michael F. Buckley (MBA '12), of New York, NY, married Kelly Houlihan on September 7, 2013.

Todd E. Burach (MBA '12), of New York, NY, married Nancy Renée Braun in Rockleigh, NJ.

Diana A. Kassen (MBA '12), of New York, NY, married Ezra Borinsky Mehlman in Kiawah Island, SC.

Chad Diacont (MBA '13), of New York, NY, married Leigh Hofstetter in Vermont on October 5, 2013.

Whitney K. Rothe (MBA '13), of New York, NY, married Katrina Pape in Greenwich, CT, on October 12, 2013.

Fern D. Senior (MBA '13), of Brooklyn, NY, married Kristin Thomas on September 28, 2013, in Laurel Hollow, NY.

In Memoriam

Alfred Feld (MBA '39, BS '36)

Antoinette Kederis (BS '40)

Alfred E. Finn (BS '54)

Susan Schofield (MS '58)

Steven Marks (MBA '59)

Thomas Chrystie (MBA '60)

Gerart Decker (BS '65)

Andre C. Dimitriadis (MBA '67, PhD '70)

Edwin J. Berkowitz, Esq. (MBA '72)

Karen S. Cook (MBA '79)

Kristen Wagner (MBA '13)

Richard P. Brief, Professor Emeritus of Statistics and Accounting

John Guilfoil, Former Associate Dean of the Undergraduate College and Chair of the Economics Department

Ernest Kurnow, Emeritus Professor of Statistics, founder and former Chair of the Statistics Department, 1963-1975



PAST PERFORMANCE

Patriarch

Charles Waldo Haskins was the father of the accounting profession – and NYU Stern

By **Marilyn Harris**

Though his name – and his bust – are in full view around NYU Stern, it's safe to say that no living alumnus remembers or could tell you all that much about Charles Waldo Haskins. A product of post-Civil War America and the era of Reconstruction, Haskins died in 1903. Yet even in the 21st century, his philosophies of business education remain not just central to Stern's mission, but quite contemporary.

His name honors the School's most generous donors via the Haskins Giving Society and the annual Charles Waldo Haskins Award.

Prodigiously accomplished and widely respected, Haskins was born in Brooklyn on January 11, 1852, the son of a well-to-do New York banker related to the poet Ralph Waldo Emerson. One ancestor had married a descendant of a signer of the Mayflower Compact. Haskins was educated at the Brooklyn Polytechnic Institute (now the NYU School of Engineering), and, like many wealthy young men of that era, studied art in Paris.

In addition to being one of the founders and senior partner of the international accounting firm Haskins & Sells, now Deloitte, Haskins lobbied for the New York law that created and regulated the certified public accounting (CPA) profession and led to the first CPA examination. He was selected as the first president of the board of examiners when the New York CPA law was passed in 1896 and was the founding president of the New York State Society of CPAs. In 1900, Hask-



ins helped found and was the first dean of the New York University School of Commerce, Accounts, and Finance. In addition, he held a one-of-a-kind title, professor of auditing and the history of accountancy. In an article in the 1997 *CPA Journal*, authors Gary J. Previts, Dale L. Flesher, and Tonya

K. Flesher called Haskins "one of the first true statesmen of the new profession of public accounting."

A frequent lecturer with a missionary zeal for accounting standards, Haskins described the public accountant as "the consulting physician of finance and commerce." According to Haskins, the public accountant "understands the anatomy and physiology of business and the rules of health of corporations, partnerships, and individual enterprises. He diagnoses abnormal conditions and suggests approved remedies. His study and interest is the soundness of the world of affairs."

This holistic view shaped Haskins's educational philosophy, which was embodied at NYU and eventually adopted by other institutions. According to Frank Vanderlip, in *The Journal of Accountancy* (February 1997), Haskins "intended rather to organize a school in which should be brought together the information and the training that is most essential to all of us who are engaged in business affairs. This school, therefore, he called not 'School of Accounting'; nor, if he had been primarily

a financier, would he have called it 'School of Finance'; like the broad-gauged man that he was, he approved the title School of Commerce, Accounts, and Finance."

The School's Haskins Giving Society was founded in 1980 to recognize those alumni whose commitment to the School mirrors that of Haskins. The Society has provided unique opportunities for its members to meet throughout the year to network and to celebrate the School's accomplishments. At the Haskins Award Dinner, a festive annual event that welcomes hundreds of members of the Society's donors (encompassing Haskins Chairman's Circle, Haskins Founders, Haskins Benefactors, and Haskins Investors), the annual Haskins Award is given to the individual who best exemplifies Haskins' legacy of achievement in business and public service. Past recipients have included Michael R. Bloomberg, Peter G. Peterson, Judith Rodin, John Snow, Jeffrey Immelt, William R. Berkley (BS '66), Theodore Olson, Robert Rubin, Kenneth Langone (MBA '60), Paul Volcker, Alan Greenspan (BS '48, MA '50, PhD '77), and Henry Kaufman (PhD '58). In 2014, the Award was given to Ambassador Carla A. Hills, chairman and CEO of Hills & Co., co-chairman of the Council on Foreign Relations, and former US Trade Representative and Secretary of Housing and Urban Development.

Haskins died of pneumonia in 1903 while still dean of the School. He was not yet 50. Nearly a century later, in 2000, he was named the 67th member of the Accounting Hall of Fame. ■

MARILYN HARRIS is editor of *STERNbusiness*.

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