

# FALL News

Summer 2003

## New board is simply FABulous!

The first meeting of the **Finance Advisory Board** (nicknamed "FAB") took place March 31 on campus. This new advisory board seeks to bring finance professionals, faculty and students together to help improve finance programs, promote student-faculty networking, and provide advice on all facets of Illinois State University's finance programs. Members of the FAB include **Thomas Estey '83**, senior VP, LaSalle Bank; **Richard Landsburg**, attorney, advanced markets, Nationwide Financial Services; **Larry Lonis**, VP, BankOne; **Dean McNaught M.B.A. '87**, finance manager, North American commercial division, Caterpillar, Inc.; **Robert W. Rush '68, M.S. '79**, executive VP, Country Trust Bank; **Jeff Scott**, assistant VP investments, State Farm Management Corporation; and **Jeff Secord '71, M.B.A. '73**, managing director, First Busey Securities.

The board heard presentations from a number of students and faculty regarding the finance program, including the Educational Investment Fund (EIF), the Financial Management Association (FMA), the curriculum, the place of finance in the M.B.A. curriculum, student placement and internships, and advising. The board will meet again in the fall.

## Faculty recognized with awards

At the departmental recognition program, three faculty were recognized for their contributions to the department and to the College of Business. Faculty recognized included **Tom Howe**, Outstanding Teaching Award; **S.J. Chang**, Outstanding Research Award; and **William Scott**, Outstanding Service Award.

## New faculty join finance and insurance

The finance faculty welcomed their new colleague, **Paul Molander**, in the fall of 2002. He joined us from the doctoral program at Texas A&M University, where he is completing his dissertation.

In the fall of 2003, **Kevin Ahlgrim** also joined the finance faculty. He has a Ph.D. in finance from the University of Illinois and has been teaching at Bradley University. Joining the insurance faculty this fall is **Andreas Richter**, who holds a doctorate from the University of Hamburg, Germany. Welcome aboard!

## David Loy retires

After a career spanning almost 20 years at Illinois State University and more than 30 years in academia, **David Loy** retired in September 2002. Loy taught investments and related classes.

## Notes from the chairperson

This has been a spectacular year for the Finance, Insurance, and Law Department. The new College of Business building at the south end of the Quad is progressing rapidly and we are set to move in sometime next year. Our new Finance Advisory Board promises to bring professional and business perspectives to our finance program. The Katie School continues to progress under the leadership of Jim Jones.



We hired three exceptional young faculty members to join our colleagues in the fall of 2002 and 2003. And enrollments in finance and insurance continue to grow beyond all expectations. Even in the face of budget difficulties, the department continues to prosper. Our department graduated 138 outstanding young men and women in the spring of 2003. Congratulations to every one of them.

While the Illinois State budget situation remains difficult, we can take some solace in the fact that our budget was not hurt quite as much as other universities. Under our new University leadership, we know that the department, the College of Business, and the entire University will continue to grow and flourish.

Illinois State remains an extraordinary place, where faculty care deeply about their students and the education that they receive, about their disciplines, and about their world. It is a community of scholars that welcomes into its midst students from every walk of life.

Thanks to all the alumni and friends of the department for your continued help and support for our programs and our students.

*Charles R. McGuire*

Charles McGuire, Chairperson  
Department of Finance, Insurance and Law

## Students recognized in first departmental program

On March 31, the Department of Finance, Insurance, and Law held its first departmental recognition banquet at the Radisson Hotel in Bloomington. An astounding 240 people attended, including students, parents and guests, faculty and faculty spouses, members of the Finance Advisory Board, members of the EIF Board, and members of the Katie Insurance Board. Special guests included newly appointed Provost John Presley and Dean Dixie Mills. Seventy-four scholarships, and awards were presented to students in finance and insurance. The following Outstanding Student Awards were presented:

Outstanding Junior in Finance  
**Scott Savidan**

Outstanding Junior in Insurance  
**Christopher Colwell**

Outstanding Senior in Finance  
**Stacy M. Lang**

Outstanding Senior in Insurance  
**David Hammond  
and Nick Denny**



Also recognized was **John Werderits**, who served on the EIF Board for many years and who is retiring from the board to pursue other interests.



From top, Dean Dixie Mills and Stacy Lang, Outstanding Senior in Finance, Jim Jones and Nick Denney, Outstanding Senior in Insurance (service), Dr. and Mrs. Richard MacMinn, Dr. Domingo Joaquin, and Sally (Mrs. William) Scott share a laugh at the Student Recognition Program, Jim Jones and David Hammond, Outstanding Senior in Insurance (academic).

## FMA report

Illinois State University's Financial Management Association (FMA) chapter offers career-oriented extracurricular activities for finance students. The speakers who participated in our spring 2002 on-campus professional program were:

- February 5     **Jason Rowe '97,**  
**State Farm**  
financial business analysis
- February 19    **Louis Villafuerte,**  
**State Farm**  
professional licensing
- March 5        **Kevin Drucker '97,**  
**Cornerstone National Bank**  
commercial lending
- April 2         **Gregory Stephens '01,**  
**Thomas Minneci,**  
**and Allstate Insurance**  
purchasing function
- April 16        **Robert Stephan,**  
**John Malito,**  
**and Drew Lister, State Farm**  
fixed-income investing

The spring 2002 field trip on March 22 took the students to two Chicago-area facilities of food industry giant ConAgra. The morning visit was at the St. Charles processing facility, where **Pat Gordon** gave a tour of the Swift sausage production line, and **Kent Kring** and plant controller **Jerry Ignatius** spoke on capital budgeting and other financial management issues. The afternoon stop at the Downers Grove corporate offices featured talks by CFO **Rod Liddle '78**; operations controller **Jerry Banach '87**, Butterball division financial managers **Shawn Kaylor** and **Craig Metzger '95**, recruiter **John Prittie**, and capital budgeting analyst **Joe Schnoor**. Corporate accounting manager **Luci Pazin** coordinated the visits and also spoke.

Our fall 2002 on-campus professional program featured these speakers:

- September 4    **Carrie Carpenter,**  
**State Farm**  
interviewing, resumes
- September 25   **Dale Stinton,**  
**Country Financial**  
trust operations
- October 9       **Colm Brewer '00,**  
**State of Illinois**  
government budgeting

October 18	<b>Thomas Estey '83,</b> <b>LaSalle Bank, N.A.</b> commercial lending
October 30	<b>Julia Ostrovska '00,</b> <b>Caterpillar Investments</b> equity investing
November 20	<b>Case McGee,</b> <b>Archer Daniels Midland</b> commodities trading
December 4	<b>Beth Cunningham '03,</b> <b>1st National Bank, Beloit</b>
	<b>Stacy Lang '03,</b> <b>State Farm</b>
	<b>Andrew Martin '03,</b> <b>Old National Bancorp</b> student internship panel

The Windy City was the fall 2002 field trip destination. **John Welch**, vice president of Peregrine Financial, provided tours of both the Chicago Mercantile Exchange and Chicago Board of Trade. After lunch in the Board of Trade building, the students toured the Federal Reserve Bank of Chicago. Post-9/11 security prevented our seeing some areas of the facility that were accessible to tour groups in the past, but the stop was quite educational nonetheless, thanks to **Jerry Nelson**, a retired securities industry executive who volunteers as a tour guide at the "Fed." **Don Wagner** arranged for our visit.

Speakers visiting campus in connection with our spring 2003 professional program were:

January 27	<b>Larry Maschoff,</b> <b>Bank of Illinois</b> community Banking
February 10	<b>Don Fernandes '79,</b> <b>A.G. Edwards</b> securities Industry
February 24	<b>David Laube,</b> <b>Laube Insurance</b> financial planning
March 24	<b>Gary Baranowski,</b> <b>Comptroller of Currency</b> bank regulation
April 7	<b>Dennis Spice,</b> <b>Open Prairie Ventures</b> venture capital
April 21	<b>Jaime Black '02,</b> <b>State Farm</b> equity investing

FMA president Andy Martin spearheaded an effort to prepare members for spring Senior Day. On February 3, representatives of Allstate Insurance conducted mock interviews that were organized by former FMA officer **Greg Stephens '01**, who was joined by human resources director **John Villard**, staff manager **Jeff Truskowski**, and client advocate **Eileen McBride**. The event gave students the chance to experience the rigors of interviewing under the guidance of professional recruiters.

An April 11 field trip took 15 students and faculty to three St. Louis firms. The morning visit was at the world headquarters of A.G. Edwards, where Community Relations Coordinator **Darrell Collins** hosted. After a memorable tour of the firm's impressive trading floor, Collins took the students to meet with **Bill Blakney**, an experienced A.G. Edwards recruiter and former educator who provided a wealth of practical advice on seeking jobs in the financial arena. The visit ended with remarks from research analyst **Charles Robinson**. An early afternoon stop at the Adam's Mark Hotel included a tour of the facilities, including top-floor luxury suites, and remarks from **Al Sedlacek** (the landmark hotel's general manager) and Illinois State University business administration graduate **Mark Lampkin '87**, the controller. Special thanks go to **Lois Laster** from human resources, a tremendously personable and knowledgeable tour guide. Human Resources Director **Melanie Truelove** arranged for our visit. Our final stop was at Anheuser Busch, where we toured the brewery and then met with **Mike Basler**, a senior financial executive with the company. Mike had spoken to our FMA students when the chapter visited Anheuser in the spring 2000 semester, and we were delighted to again have the opportunity to hear his insights on the company, the economy, and careers.

A number of fine students have served as 2002-2003 FMA officers. Officers for spring 2002 were, President, Michelle Novak, Andrew Martin, J.P. Roth, Veronica Martin and Matt Giedd. Officers for the fall 2002 were, President, Stacy Long, J. P. Roth, Caleb Wagner, Christy Singleton, and Jason Jones. For the Spring 2003 officers were, President, Andrew Martin, Jessica Oldman, Doug Marrenson, Christy Singleton, Chris Regis, and Christy Corbett.

Faculty members **Erika Gilbert**, **Paul Molander**, and **Joe Trefzger, M.B.A. '81** are advisors to the chapter. Academic advisor **Nancy Baldoni** also provides valuable ongoing assistance to the FMA organization.

## Gamma Iota Sigma posts banner year

Gamma Iota Sigma continued to flourish this year under the leadership of its officers **Nick Denny**, **Amanda Marcille**, **Ryan Burks**, **Faye Callahan**, **Joel Pabst**, **Elisa Yaeger**, **Matt Yoder**, and **Dusti Butler**. **Yu-Luen Ma** and **George Flanigan** served as co-advisors of the chapter.

Our membership more than doubled from last year, and for the first time ever the Illinois State University chapter topped 100 members.

This year Gamma Iota Sigma developed an Actuarial Club within the framework of our organization in order to better meet the needs of the actuarial science students. As a result, our membership saw a significant increase in actuarial science majors.

Gamma Iota Sigma hosted numerous speakers who spoke on an array of topics. We pride ourselves on being able to offer our members a well-rounded schedule that supplements what they learn in the classroom as well as information pertinent to the insurance industry. **Karen Foley** from CNA Insurance spoke to us about "The Changing Environment" at our fall semester executive-on-campus event. **Sandra Masters** from the American Institute for CPCU spoke to us about how to obtain a CPCU designation. **Jim Jones**, director of the Katie School spoke to us about how to be an effective negotiator.

During the spring semester, the first speaker was **Kathy Popejoy** from State Farm, who talked about becoming an actuary. The second speaker was a joint effort among Gamma Iota Sigma, Pi Sigma Epsilon, and American Marketing Association (AMA). **Jon Klich** from Northwestern Mutual along with other Northwestern Mutual representatives spoke to us about how to develop career skills. **Kevin Roberts** from State Farm told us about the different careers in the insurance industry. **Adrian Dusler** from the Illinois State University Career Center taught us how to compare and negotiate job

## Educational Investment Fund students get real-life investment experience

Once again more than 25 students participated in the Educational Investment Fund (EIF), the unique, real-money investment fund operated by students under the direction of **Tom Howe**. The students managed a fund of more than \$200,000, invested chiefly in equities. Twice each semester the students meet with the EIF Board of Directors, composed of investment professionals, many of whom are EIF alumni. The final meeting of the semester includes a formal presentation by each student.

offers. **Donna Galer**, executive vice president from Zurich North America spoke to us about globalization of insurance at our spring semester executive-on-campus event. **Tom Noonan**, principal, from the Law Offices of Thomas J. Noonan, was our last speaker of the semester and spoke to us about jury verdicts. In addition to the events listed below, Gamma participated in Business Week 2002 by co-sponsoring **Tom Estey '83**, the first vice president of LaSalle National Bank.

The first event of the fall 2002 semester was the COUNTRY Insurance Picnic on the Quad. Students were able to speak with representatives from COUNTRY about their internship program. Current interns were also on hand to answer questions.

During the fall semester, Gamma revived a once-popular fund-raising event. For the first time in a few years, Gamma sold Halloween insurance. George Flanigan's "Property Insurance" class developed a named-perils policy to cover Halloween vandalism. The policies were then sold to faculty members and some community members.

Gamma also held a "Meet the Katie School" event to help promote the Katie School to new students. Katie School staff members as well as insurance professors were on hand to introduce themselves to the students.

With help from the Katie School of Insurance, 10 Illinois State University students were able to attend Gamma Iota Sigma's 31st annual management conference in Philadelphia in late October. Illinois State University hosted the national Gamma conference in April of 2000.

The Katie School of Insurance also helped send 12 students to the annual REBEX Conference. The conference offers students the opportunity to network with industry professionals, attend educational sessions, and visit exhibitor booths to learn about the latest industry products and services.

Throughout the spring semester, Gamma and the Katie School hosted a number of alumni lunches to allow students to interact with industry professionals. The following is a list of alumni who participated during the 2002-2003 school year: **Krista Clark '01** from AAA Insurance, **Mark Coyle '00** from AIG, **Seth Davis '94** from CNA Insurance, **Jane Knobloch-Freidinger '00** from State Farm, **Mike Lavazza '01** from COUNTRY, **Steve Naylor '99** from The Hartford, and **Jason Preston '00** from Marsh.

The biggest events for Gamma this past semester have been our initiation ceremony and the RIMS (Risk and Insurance Management Society) Confer-

ence. GIS is pleased to announce that it initiated 80 new members at the initiation ceremony on March 24th. In addition, GIS, with the help of the Katie School, was able to send 15 members to the annual RIMS conference in Chicago. The conference offered students the opportunity to network with industry professionals, attend educational sessions, and visit exhibitor booths to learn about the latest industry products and services.

Gamma Iota Sigma is pleased to announce that it, along with the Central Illinois Chapter of the CPCU Society, has developed a mentoring program. We foresee the program benefiting students by mentors helping students study for CPCU tests, giving them career advice, discussing industry trends, and much more. We anticipate a long-standing, nurturing relationship with the CPCU society.

Gamma has installed its new cabinet of officers and expects great accomplishments from them next year. The new officers are President **Eric Pan**, **Chris Colwell**, **Bert Margis**, **Dan Hibbs**, **Stephanie Neudecker**, **Chris Sutherland**, **Sandy Guavita**, and **Donna Jalcovik**.

### Faculty notes

Returning from his enjoyable and rewarding sabbatical leave in the fall of 2002, **S. J. Chang** got busy again. He presented a paper at a recent international forum in Chicago on the current issues regarding the Korean Peninsula. His new book *Turning America Inside Out* is about to be published in Korea. Recently Chang also has been invited to serve on the editorial board of *Financial Services Review*.

**Yu-Luen Ma** presented papers at two international conferences, the American Risk and Insurance Association (ARIA) in Montreal, Canada and the Asia-Pacific Risk and Insurance Association (APRIA) in Shanghai, China. The paper presented at APRIA, co-authored with **Nat Pope**, received the outstanding paper award. This paper has recently been published in the *Journal of Risk and Insurance*.

In October 2002, **Richard MacMinn** arranged a videoconference with Mayank Raturi at Swiss Re in New York. He spoke to Illinois State University faculty and an MBA class on risk management about capital market innovations in the insurance industry. Members of the NAIC in Kansas City also joined the videoconference and participated in the dialogue with Mayank. This videoconference was the first here to also be streamed to the Web so that many others could participate.

**G.N. Naidu** also returned from sabbatical leave. He presented a seminar on the Warsaw Stock Exchange from his sabbatical research project. He also presented a paper, "Efficiency, Liquidity and Volatility of Central European Stock Markets" at Academy Finance Conference in Chicago. Naidu presented another paper at Global Finance Conference in Frankfurt, Germany. Naidu will also be chairing a session on emerging capital markets at the FMA meeting in Denver in October 2003.

**Edgar Norton** became Midwest Finance Association president for the 2003-2004 year. He completed revisions on *Investments* (6th edition), co-authored with Frank Reilly (University of Notre Dame) and published by Thomson/South-western College Publishing, and completed revision of *Finance: An Introduction to Institutions, Investments, and Management* (11th edition), co-authored with Ron Melicher (University of Colorado-Boulder) and published by John Wiley and Sons. His book, *Foundations of Financial Management* (co-authors: C. F. Lee, Rutgers University and Joseph Finnerty, University of Illinois) has been translated for use in Taiwanese colleges and universities.

Thomson/South-western is the publisher. He also had a paper presented at the Financial Education Associate meetings in April on the advantages of using professional analysis software (Ibbotson Associate's EnCorr package) in the finance classroom. The paper includes learning objectives for a variety of sample exercises using EnCorr.

While on spring break in Antigua **Kim Small** took a historical tour of the island. At one of the elementary schools they had a banner "We Can. We Should. We Will. To go to high school or college is an honor. Students are encouraged to always do their best." So Kim brought back their philosophy for her students, adding "Strive for Excellence!!!!"

**Carson Varner** was part of a fact-finding delegation to the European Union sponsored by Illinois Farm Bureau in March. He also continued to write on business issues for *The Pantagraph*.

## We welcome your support

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