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News and comments

FIL News Summer 2005
Published annually

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Illinois State University

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ILLINOIS STATE UNIVERSITY DEPARTMENT OF FINANCE, INSURANCE, AND LAW

FIL News

Summer 2005

Scott to serve as interim chair

William Scott, professor of finance, will serve the Department of Finance, Insurance, and Law as interim chair beginning July 1, 2005. Professor Scott has been at Illinois State since 1984 and served the department previously as department chair from 1984 to 1988.

Scott has served on the Illinois State University Foundation Board's investment committee, the Town of Normal investment committee, and the ISU Credit Union Board. He has also been active as the faculty representative on the Educational Investment Fund Board of Directors, and is the author of a textbook on financial markets and institutions.

Educational Investment Fund tops $300,000

The Educational Investment Fund (EIF) had another stellar year. The student-run real-money fund reached a total of $300,000 in invested money and cash during the 2004–2005 year. The fund began in 1982 with $50,000 in borrowed funds, and that loan was repaid in 1992.

The fund is under the direction of Professor Thomas Howe. Students apply to take a four-hour elective, FIL 370, in which they meet twice a semester with a board of directors comprised of investment professionals, most of whom are graduates of the EIF program. They end the semester by making formal presentations to the board regarding their proposals for changes in the portfolio. Nearly 650 students have completed the program since its inception.

New building and the Financial Markets Lab

The College of Business finally moved into its new facility before the beginning of the spring semester, and opened the new Financial Markets Lab (FML) on the ground floor. The FML is intended to act as a high-tech home for the Educational Investment Fund and small senior- and graduate-level seminars in finance. The room features high-end computers with pop-up monitors for students, state-of-the-art instructional technology, and a variety of financial databases including Baseline®, Morningstar®, and Ibbotsen®. The newest acquisition is a fully active Bloomberg® terminal.

Katie School News

In the past semester the first group of students completed certification in the Katie School of Insurance Student Leadership Program. Students from all business disciplines (accounting, finance, management, and marketing), as well as actuarial science students, were selected for the program based on academic performance, student leadership, and community service. The students completed five Saturdays of leadership development programs and individual personality and skills assessments. The program

Notes from the chairperson

As I write this, I am preparing to leave the FIL Department and the College of Business and take a position as assistant provost for Illinois State University. I feel very privileged for the opportunity to serve the wider university, but it is very sad to leave my friends and colleagues in the FIL Department.

It is difficult to believe that 17 years have passed since I became the chair of the Finance, Insurance, and Law Department. Most of the current faculty in the department has been hired since that date so long ago. We have finally moved into our wonderful new building and technology has become commonplace and necessary both inside and outside the classroom. The Katie School was formed, the insurance major was created, and our insurance program has become one of the largest and best in the nation. Our finance program has grown and matured to be one of the finest in our region. The Educational Investment Fund (EIF) has grown from $50,000 to over $300,000, and almost 650 students have passed through the EIF program. The Katie Board, the EIF Board, and the new Finance Advisory Board have either been created or matured as essential parts of what we do in the department. By a conservative estimate I have shaken the hands of 2,500 graduates of our department's programs.

Our department and our programs are growing and maturing and we stand poised to take advantage of new and exciting opportunities. Our new Financial Markets Lab, including our new Bloomberg® terminal; the Finance Advisory Board; and the expanding relationship between the insurance and finance programs and the regulatory aspects of both represented by the business law faculty promise to drive the department to even greater accomplishments. Most of all, the committed and talented faculty will serve our students well into the foreseeable future. The future is bright indeed.

Like the department, I am off to new challenges and opportunities. The department has many fond memories for me, and I wish you all well.

Charles R. McGuire

culminated with a risk consulting project for three local non-profits (The Baby Fold, Girl Scouts, and Habitat for Humanity). Students did a complete enterprise-wide risk assessment and concluded by presenting to the boards of their respective organizations, submitting a formal report. Twelve of 20 students selected were able to complete the rigors of the entire program and attain certification. The Katie School also sent 15 students to the RIMS annual meeting, which was held in Philadelphia; nine students to Insurance Legislative Day in Springfield; and six students to a CPCU leadership workshop on conflict resolution.

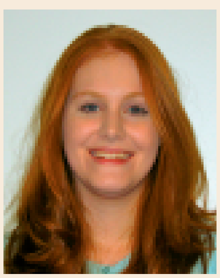
The Katie School developed and conducted a number of new industry professional development workshops this semester including Developing Ethical Intelligence and Enhancing Business Acumen. New programs offered this summer include a 10-week program for new producers, a two-week program for state insurance regulators, and a one-week risk management program for Lloyd's of London executives, which will include risk management tours of businesses in the Chicago area. The Katie School also completed industry consulting projects analyzing the effect of technology on workers' compensation claims and the market for accountants' liability insurance, and several executive coaching assignments.

Student recognition program

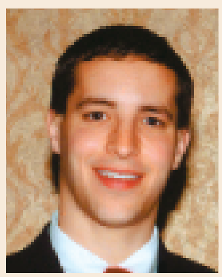
Over 240 people attended the third-annual FIL Student/Faculty Recognition Program at the Radisson Hotel on April 6. Seventy-two students received scholarships and awards in the presence of family, friends, and faculty. Members of the Finance Advisory Board, the Educational Investment Fund, and the Insurance Advisory Board of Executives (the Katie School Board) attended, along with Dean Mills and Provost John Presley.

Martin Friel and Andrew Hoffman shared the honor as Outstanding Seniors in Finance. Maegan Fidel was named Outstanding Senior in Insurance. Chelsey Redmond was honored as the Outstanding Junior in Finance, and Kevin Connor was named Outstanding Junior in Insurance.

Faculty honored included Professor George Flanigan, Outstanding Teaching Award; Professor Yu-Luen Ma, Outstanding Research Award; and Professor S.J Chang, Outstanding Service Award.


Maegan Fidel


Martin Friel


Andrew Hoffman

Financial Management Association

Illinois State University's chapter of the Financial Management Association involves university finance students in activities that provide career information and networking opportunities. Speakers in our fall 2004 professional program were David Stokes '02, Edward Jones & Co.; Christina Konieczka, LaSalle Bank; Ron Hill, Town of Normal; and Mary Brant, Commerce Bank.

The chapter organized another professional meeting on November 15, when a panel of members who had completed summer or fall internships talked about their experiences and provided suggestions to those hoping to secure internships. The participants, along with the companies where they completed their internships, were Jami Baucomb, Motorola, Inc.; April Eccleston, Elliott Capital Management; Todd Gustafson, Caterpillar, Inc.; and John Moravec, Kraft Foods.

Friday, December 3, marked the group's fall 2004 field trip. Sixteen FMA members, along with advisors Linda Miles and Joe Trefzger and Illinois State graduate Sharon Corn, visited two Peoria organizations. The first stop was Caterpillar, Inc.'s East Peoria "TT" manufacturing plant. After seeing huge track-type tractors being built in the high-tech facility, the members returned to the company's Peoria headquarters, where our hosts generously provided lunch and face time with some of the firm's top young financial executives, including Illinois State graduates Mark Burns '90, M.B.A. '94, Courtney Graf, M.B.A. '02, and Matt Eickhoff '03. Others in the group were Jason Baumann, Doug Hamilton, and Aneta Piskor. The official program consisted of an early afternoon presentation on the company's financial activities and performance by corporate funding manager Mark Henninger and vice president for investor relations Nancy Snowden. The latter part of the day was spent at O'Brien Field, Peoria's impressive downtown baseball stadium. Rocky Vonachen, Peoria Chiefs president (and former owner of Rocky's in downtown Normal), led the students in a tour of the facility and a discussion of the sports business and other entrepreneurial activities.

Speakers for our spring 2005 on-campus professional program were Jaime Black '02, State Farm; Brett Winters '00, National City Mortgage; Robert Parent '97, State Farm; John Fruin, M.B.A. '81, Growmark; Rod Murray '89, LaSalle Bank; and Brian Finch, MAI.

The spring 2005 field trip took place on Friday, April 15. Miles, Trefzger, and fellow FMA advisor Keldon Bauer accompanied nine finance students to the Chicago area. The morning stop was at the Burr Ridge offices of McGraw-Hill Publishing. Director of Financial Operations Russ Domeyer and Regional Sales Manager Liz Wannemacher discussed the financial aspects of textbook publishing, which have become increasingly complex in the modern age of high-tech printing and Internet sales. After the McGraw-Hill visit the group boarded the Metra train to downtown Chicago for an afternoon meeting with ABN Amro Mutual Funds. Our host was HR manager Chris Ormsby, who spoke on hiring and career planning issues. He also arranged for presentations by fund chief operating officer Jerry Dillenburg, portfolio managers Fred Senft (fixed income) and Todd Youngberg (high-yield bonds), equity analyst Steve Sherman, and trader Jeff Fina. Dillenburg and Senft had also met with Illinois State FMA students during a fall 1997 visit.

As always, the Department of Finance, Insurance, and Law extends heartfelt thanks to the outstanding people and firms that have contributed to the success of FMA's 2004–2005 professional program. Our field trips and speakers provide invaluable insights for our students as they prepare for their careers. We encourage our alumni and friends to offer their thanks to the people and organizations noted above. Any of our alumni or friends who might be interested in sponsoring FMA field trips at their own places of business are encouraged to contact the FIL Department.

The outstanding students who served as 2004–2005 academic year FMA officers were Gina Czubachowski, president; Todd Gustafson, vice president; Kyle Mason (fall) and Jami Baucom (spring), treasurers; Christina Corbin, secretary; Jason Marion, COBEC Rep.; April Eccleston, social/publicity; and Paul Nowicki, web designer.

Academic advisor Nancy Baldoni also provides valuable ongoing assistance to FMA.

Faculty Notes

S. J. Chang, Ph.D., successfully organized and executed an academic symposium on Korea's economy and business on April 8, 2005. Featuring international experts on Korean issues, the symposium provided a large audience with insightful information about South Korea's political economy and business environment. The symposium was held as part of the Korea Day celebration Chang organized to celebrate Korea's traditional culture and recent economic success. Serving as the president of the Korea-America Finance Association, Chang also recently traveled to Korea to open an international joint finance conference. He then traveled to Japan where he visited Chuo University in Tokyo for a two-week stay under the faculty exchange program between the two universities.

Sylvie Bouriaux, Ph.D., taught a two-week seminar in May on "Valuation of Financial Securities" at the Politeknik Institute in Lodz, Poland. The seminar is included as a regular course in the M.B.A. executive program at the Institute and is offered by Illinois State University via an exchnage agreement between the Politeknik Institute of Lodz and Illinois State University.

Sylvie Bouriaux and **William Scott, Ph.D.,** published "Capital Market Solutions to Terrorism Risk Coverage: A Feasibility Study" in the *Journal of Risk Finance*.

Domingo Joaquin, Ph.D., made a series of on-site corporate presentations in New York (UBAS), Denver (The Resource Capital Funds), and Peoria (Caterpillar) on "Using Monte Carlo Simulation in Project Risk Management" and "Optimal Capital Structure for Tax-Exempt Healthcare Institutions."

Karen Hosack, J.D., presented "Punitive Damage Awards—The Aftermath: A Brief Survey of How the Courts Have Applied *State Farm Mutual Automobile v. Campbell*" and "The Stella Awards, Tort Reform, and Urban Legend—Is Our Legal System Really Out of Control?" at the Midwest Business Administration Association Conference in Chicago.

Han Bin Kang, Ph.D., published "A Discrete Time Pricing Model for Individual Insurance Contracts" in the *Journal of Insurance Issues*.

Yu-Luen Ma, Ph.D., received the Outstanding Research Award at the International Insurance research seminar for "Stock Options and Reserve Errors." She also co-authored an article,"Grade-Insurance: Capitalizing on Experiential Learning Opportunities," which was published in *Risk Management and Insurance Review*.

Charles McGuire, J.D., published "The Constitution of the European Union: Content, Prospects and Comparisons to the U.S. Constitution" in the *Tulsa Journal of Comparative and International Law*.

Richard MacMinn, Ph.D., the Edmundson-Miller Endowed Chair, has had several articles accepted this academic year. He is organizing the second International Conference on Longevity Risk to be held next April in Atlanta. This summer he is off to Taipei to present a few seminars and attend a few others.

G.N. Naidu, Ph.D., published an article in the *Academy of Finance Journal* and presented another paper on Turkey's accession to the EU at MBAA annual meetings. He also served as a chair for a session on global finance in MBAA meetings and was invited to participate in Global Finance Conference in Ireland. He states, "I will be happy to share my research results with any of my current and former colleagues as well as friends of COB."

Katrin Varner, J.D., participated in the Midwest Academy of Legal Studies in Business Annual Convention in Chicago in March, presenting a paper entitled "Insurance Law for Undergraduates: A New Course." She has also been selected to participate this summer in a study tour with the Illinois Farm Bureau called "Exploring U.S. Agriculture's Largest Trading Partner—Canada." It will consist of visits with various Canadian agricultural producers and marketers in Vancouver, Calgary, Ottawa, Windsor, and Toronto.