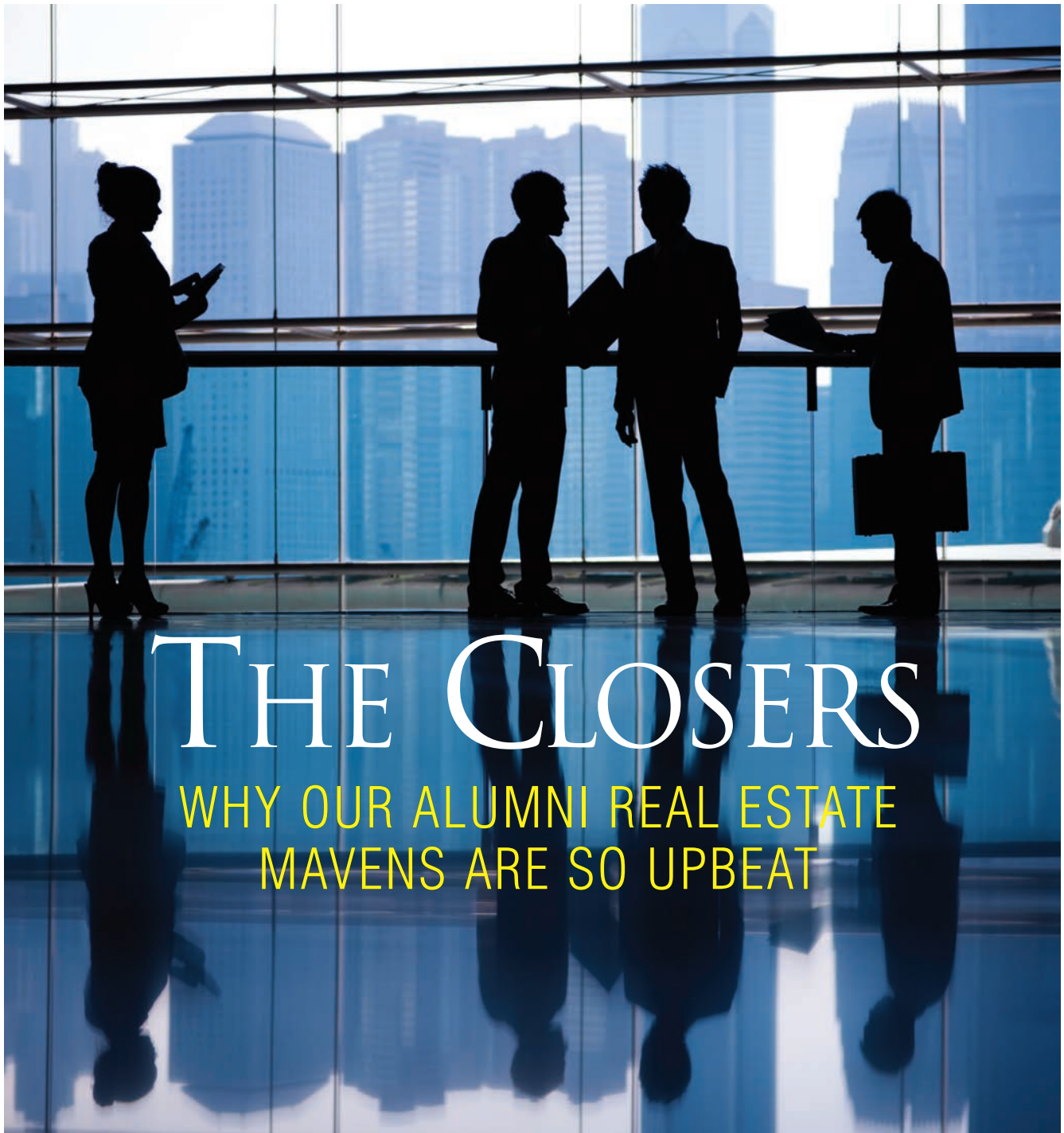


FALL / WINTER 2012

the Alumni Magazine of NYU Stern

STERN*business*



THE CLOSERS

WHY OUR ALUMNI REAL ESTATE
MAVENS ARE SO UPBEAT

Glenn Saldanha of Glenmark Pharmaceuticals ■ Craigslist and STDs ■ Mack, Milstein, Silverstein Talk Commercial Real Estate ■ Howard Kagan on Broadway ■ Will Baumol Turns 90



a letter from the

dean

The mission of the Stern School is to develop people and ideas that will transform 21st century problems into opportunities to create value for business and society. This year, a sharper focus on the real estate industry is just one of many ways we have supported that vision. In May we inaugurated the Center for Real Estate Finance Research to foster scholarship and to serve as a catalyst for dialogue with our alumni and industry leaders. Indeed, the Center's first conference drew industry luminaries Philip Milstein, MBA '74, Larry Silverstein, ARTS '52, and William Mack, BS '62, whose panel discussion on the New York market and near-term prospects for commercial real estate makes for interesting reading (page 16).

NYU Stern boasts an outstanding roster of alumni who are leaders in the real estate industry. We profile several in this issue, both in the cover story (page 5) and in our Stern in the City feature (page 14). The cover story introduces you to a diverse group of inspiring professionals – some of whom are helping transform New York's built environment as the city evolves from a finance-heavy center to a technology center, and others who focus on the luxury residential market, real estate finance, or international development. Taken together, these profiles paint a picture of a vigorous market with a dynamic future. We know that many more alumni than we have space to write about are active in this sector, and we hope you will find the Center for Real Estate Finance Research a valuable resource and a hub through which you can connect with your alma mater and the rising generation of professionals in your field.

This fall we also welcomed nine new tenured and tenure-track faculty members, plus appointed an executive director of the Berkley Center for Entrepreneurship and Innovation. Jonathan Haidt, author of *The Righteous Mind* and one of the founders of and preeminent researchers in the field of moral psychology, joined the Business and Society Program Area as the Thomas Cooley Professor of Ethical Leadership. He aims to integrate research and theory across the disciplines of moral psychology and business ethics, seeking out and teaching the best ways to create organizations that function as ethical systems. Luke Williams, a leading speaker, educator, and consultant on innovation strate-

gy and the author of *Disrupt: Think the Unthinkable to Spark Transformation in Your Business*, will head the Berkley Center and has joined the marketing department as a clinical associate professor of marketing and entrepreneurship. The management and organizations, accounting, and finance departments also welcomed accomplished new faculty.

As for our senior faculty, the legendary William Baumol turned 90 this year. Will, an expert on entrepreneurship, continues to generate new research ideas, books, and art. He's graced our economics department for more than 36 years. Our tribute starts on page 38.

With such productive, innovative faculty and a strong research tradition, it's hardly surprising that Stern remains at the forefront of thought leadership. Our connections with alumni, practitioners, and international programs ensure that we remain a leader in global business education. The transformative power of those connections will be apparent in January, when Undergraduate College Dean Geeta Menon spearheads an alumni conference in Mumbai that will focus on India's emerging power in the global economy.

With world economic issues in mind, we are already organizing a stimulating agenda for our biennial global alumni conference, set for June 2013. Next year's conference will be held in Shanghai, the site of NYU's newest portal campus opening in Fall 2013. I hope you will seize this opportunity to connect with friends and classmates, participate in thought-provoking seminars, and enjoy Shanghai's phenomenal energy. I look forward to meeting you there.

In closing, please accept my deepest gratitude for your continued support in making the Stern experience **An Education in Possible** for the talented students who will, in the blink of an eye, be your new hires and colleagues. Your continued engagement through mentoring, participation in our events, and financial contributions are indispensable keys to our success.

With all good wishes,

Peter Henry
Dean



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THE BUZZ ON CAMPUS WAS ABOUT ECONOMIC POLICY AND THE TRANSFORMATIVE POWER OF SOCIAL INNOVATION...



Former Treasury Secretary Robert E. Rubin shared his perspective on today's economic policy challenges with Kim Schoenholtz (left). Dean Peter Henry and Geeta Menon, dean of the undergraduate college and vice dean, enjoyed Secretary Rubin's remarks (right).

On February 1, **Robert E. Rubin**, the 70th Secretary of the Treasury, co-chairman of the Council on Foreign Relations, and counselor to Centerview Partners, was interviewed by **Kim Schoenholtz**, NYU Stern professor of management practice and director of the Center for Global Economy and Business. Secretary Rubin started his finance career at Goldman Sachs, rising to co-senior partner and co-chairman. He was the first director of the National Economic Council and served as Treasury Secretary under President Bill Clinton from 1995 to 1999. Prior to joining Stern, Schoenholtz served as chief economist for both Salomon Brothers and Citigroup. He is currently a panel member of the US Monetary Policy Forum. Drawing on Secretary Rubin's lifetime experience, the interview provided perspective on current economic policy challenges.

The month of March included three major conferences. The NYU Stern-Citi Conference in Leadership & Ethics focused on "Social Innovation as a Transformative Economic, Social, and Political Movement." **Jeffrey Hollender**, co-founder of Seventh Generation and this



Jeffrey Hollender, co-founder of Seventh Generation and 2011-2012 Distinguished Citi Fellow in Leadership & Ethics (left); Pamela Flaherty, president and CEO of the Citi Foundation (center); and Alnoor Ladha, head of strategy at Purpose.com (right), examined the transformational force behind social innovation at the annual NYU Stern-Citi Conference.

year's Distinguished Citi Fellow in Leadership & Ethics, presented the keynote speech, about the key principles of social innovation. **Pamela Flaherty**, president and CEO of the Citi Foundation, kicked off the event by describing Citi's commitment to responsible finance. **Alnoor Ladha**, head of strategy at Purpose.com, discussed the leap from social enterprise to social innovation and what he called "the new economy." The event, which included panel discussions, was wrapped up by Professor **Bruce**

Buchanan, director of Stern's Business & Society Program Area, which teamed with the School's Citi Leadership & Ethics Program to organize the event.

...as well as insurance post-crisis, securities regulation, and network economics...



Therese Vaughan, chair of the National Association of Insurance Commissioners (left); Executive-in-Residence John Biggs, former chairman, CEO, and president of TIAA-CREF (center); and Professor Matthew Richardson, director of Stern's Salomon Center for the Study of Financial Institutions (right), discussed the insurance sector post-crisis.

How the financial crisis affected the insurance sector was the focus of the third annual conference of Stern's Salomon Center for the Study of Financial Institutions. Salomon Center Director and Stern Professor **Matthew Richardson** and Executive-in-Residence **John Biggs**, former chairman, CEO, and president of TIAA-CREF, welcomed keynote speaker **Therese Vaughan**, chair of the National Association of Insurance Commissioners. Vaughan discussed how to improve the current state-based method of insurance regulation, a decentralized decision-making system that she considers one of the industry's greatest strengths.

Fifty academics, politicians, and practitioners gathered at Stern for a roundtable discussion on securities regulation after Dodd-Frank. The event was co-hosted by Stern's Vincent C. Ross Institute of Accounting Research and



1&2. Dean Peter Henry welcomed British Prime Minister David Cameron to NYU for a question-and-answer session that touched on the economy, foreign affairs, and political reform.

3. On April 13, Dean Henry, with current MBA students and faculty, rang the NASDAQ closing bell in Times Square in New York City.

4. Dean Henry (left) and Tribeca Disruptive Innovation Awards Co-founder Craig Hatkoff (center) kicked off the third annual Disruptive Innovation Awards event, hosted at NYU Stern. Professor Al Lieberman (right), director of Stern's Entertainment, Media & Technology Program, has taught an undergraduate class in conjunction with the Tribeca Film Festival since 2008. The event honored several leading disruptive innovators who have impacted the worlds of business, technology, arts, and entertainment.



George Canellos, director of the New York Office of the Securities and Exchange Commission (top right), and James Overdahl, vice president of NERA Economic Consulting (bottom right), joined a roundtable discussion on securities regulation following Dodd-Frank.

NERA Economic Consulting. **George Canellos**, director of the New York Office of the Securities & Exchange Commission discussed changes at the SEC over the past decade. NERA Vice President **James Overdahl** highlighted the growing influence of economists at the SEC. Securities litigation against Chinese companies was another thread among the participants, along with the impact of regulatory reform and current academic research.

In April, experts convened to share the latest research in network economics at the 2012 Network, Electronic Commerce, and Telecommunications Institute (NET) Conference, held in partnership with Stern's Center for Global Economy and Business. **Nicholas Economides**, Stern economics professor and executive director of the NET Institute, led the conference, which covered such top-



Google's Rick Whitt (left); Edward Felten, chief technologist for the Federal Trade Commission (middle); and Professor Nicholas Economides, executive director of the NET Institute (right), shared insights in the field of network economics.

ics as pricing and value in network markets; platforms and exclusive contracts; and advertising, search, and matching. Princeton Professor **Edward Felten**, chief technologist for the Federal Trade Commission, spoke about Internet privacy and security. **Rick Whitt** of Google shared his ideas for a public policy framework for the Internet. Scholars from around the world presented and discussed their research.

Former Chairman of the Federal Reserve Board **Paul Volcker** delivered the Haitken Lecture in mid-April, serving up a strong message about the necessity of governmental oversight of financial markets and the critical role of internal controls in banks. He decried the banks' orientation toward counterparties rather than customers and asserted that the link between executive pay and compensation was out of whack. He also criticized the amount of



Paul Volcker, former chairman of the Federal Reserve Board (top right), offered his perspective on financial markets and government oversight to Professor Bruce Buchanan, director of Stern's Business & Society Program Area (top left), at the School's annual Haitken Lecture. Dean Peter Henry introduced Volcker as one of his personal heroes and welcomed members of the Haitken family (bottom).



money the financial industry spent on lobbying and the practice of legislators' joining K Street firms when their terms were up. The Haitken Lecture is organized annually by

Stern's Business & Society Program Area.

...plus volatility, new ventures, social media metrics, and ethics.



Professor Viral Acharya moderated a panel discussion with BlackRock's Ken Kroner, Deutsche Bank's Malcolm Knight, Rotman School's Peter Christoffersen and Victor Ng of Goldman Sachs on co-movements at Stern's annual Volatility Institute Conference (top left). Nobel Laureate and Professor Robert Engle, director of Stern's Volatility Institute (top right), updated attendees on the V-lab's global systemic risk rankings. The event featured keynote speaker Bennett W. Golub, chief risk officer of BlackRock Inc (left).

Later in April, the subject of "Co-movement of Volatilities, Returns, and Tails" drew a bevy of practitioners and academics to Stern's 2012 Volatility Institute Conference. Stern Professor **Stephen Figlewski** kicked off the event. Other speakers included **Bennett W. Golub**, chief risk officer of BlackRock Inc., and Nobel Laureate and Stern Professor **Robert Engle**, director of the Volatility Institute, who updated conferees on the Volatility Lab's global systemic risk rankings. Stern Professor **Viral Acharya** moderated a panel discussion on co-movements.

Also in April, **Preet Bharara**, US Attorney for the Southern District of New York visited the NYU Pollack Center for Law and Business as a guest of the Student Luncheon Lecture Series. Bharara addressed a group of more than 80 students, outlining why it's in their best interest to maintain integrity throughout their careers and



NYU's Pollack Center for Law and Business featured Preet Bharara, US attorney for the southern district of New York, as part of its Student Luncheon Series.

to seek employment in companies that conduct business ethically.

In May, winners of the 2011-2012 NYU Stern Entrepreneurs Challenge collected more than \$200,000 in seed money and in-kind support for their ventures. The challenge attracted 175 teams, of which 12

competed in the finals, explained Stern Professor **Jeff Carr**, who oversaw the competitions, organized by Stern's Berkley Center for Entrepreneurship & Innovation. Winners were Noor Pharmaceuticals, SleepBot, Nutraceutical Market Solutions, RF Test Labs, and See More Technology.



Winners in this year's Entrepreneurs Challenge accepted their prizes totaling more than \$200,000 from William R. Berkley, chairman of Stern's Board of Overseers (center in left photo), and Professor Jill Kickul, director of Stern's Program in Social Entrepreneurship (center in photo below).



Frank Rimalovski, managing director of NYU's Innovation Fund, observed that the finalist teams were multidisciplinary, involving student, faculty, and alumni participation from seven NYU schools.

The theme of "Measurable Marketing in a Social World" attracted scholars and marketing professionals to a conference organized by the Stern Center for Measurable Marketing. Attendees from around the world explored the latest research on social media metrics, social media's impact, and the integration of social media into the marketing mix.



Professor Russ Winer, chair of Stern's Marketing department, welcomed practitioners and academics to the 2012 conference on "Measurable Marketing in a Social World."




THE CLOSERS

THESE REAL ESTATE MAVENS ARE
DEVELOPING, BUILDING, AND
DOING DEALS FULL-TILT

By **Marilyn Harris**





Stern has long had an intimate relationship with the real estate profession. Many Stern alumni have shaped the built environment in innovative ways – developing, constructing, financing, marketing, and buying and selling properties in the New York metropolitan area and around the world.

In the past we have profiled several of these veterans. Most recently, in the last issue, you may have read about Jerry Cohen (BA '57, MBA '59), a partner at Tishman Speyer Properties and minority partner in Yankee Global Enterprises, and Isaac Zion (MBA '96), co-chief investment officer of SL Green Realty Corp.

In the following pages, we profile six alumni, all leaders in one or another sector of the real estate industry. With the profession sensitive to economic cycles, the recession of the past few years hit especially close to home, as it originated with the collapse of subprime mortgages. But here it is, not five years later, and the alumni you will read about are universally upbeat about their and the industry's prospects.

They are a vigorous, resilient bunch, opportunistic in the best sense. Their assessments range from cautiously optimistic about the economy in general, to sanguine about the shift in New York commercial space from finance to tech tenants, to downright giddy about the Manhattan luxury residential market and the influx of capital from around the world. We think you will find them accomplished, savvy, and across-the-board interesting.

“We come and go, but the land is always here. And the people who love it and understand it are the people who own it – for a little while.”

-Willa Cather, *O Pioneers*

Martin Cohen (MBA '76)

Co-chairman and Co-CEO, Cohen & Steers Inc.



Marty Cohen began his career as a biochemist, and he speaks in the measured, soft-spoken tones of a serious scientist. That quantitative training turned out to be useful when he sought to change careers. At business school his facility with numbers gave him a leg up: he didn't just get As in his classes, he got 100s.

Even after earning his MBA, Cohen's path to real estate investing wasn't direct. As a securities analyst at Citibank, he was asked to write a marketing brochure entitled "Why Real Estate?" He did such a good job, he was assigned to follow public real estate companies. Cohen took that ball and ran with it, organizing the Citibank Real Estate Stock Fund, and subsequently, at National Securities & Research Corp., starting the first real estate securities mutual fund with Robert Steers.

In 1986, Cohen and Steers started Cohen & Steers Inc. At the time, Cohen said, investing in real estate securities was profitable, but not particularly popular. The Tax Reform Act of 1986 changed the landscape by ending tax benefits for individuals investing directly in real estate, thus giving rise to the REIT industry. Cohen was perfectly positioned ahead of the curve. Investing in real estate securities quickly became both profitable and popular.

Today Cohen & Steers is a publicly traded manager of equity portfolios specializing in US and international real estate securities, large-cap value stocks, listed infrastruc-

ture and utilities, and preferred securities. The firm provides private alternative investment strategies, such as hedged real estate securities portfolios and real estate funds-of-funds. It has \$44 billion in assets under management.

A leader in the industry, Cohen & Steers developed and spearheaded an effort to bail out REITs in the wake of the 2008 subprime crisis, enabling them to recover and eventually recapitalize. Cohen, 63, is cautiously optimistic about the industry's future. "We see increases in occupancy and rents, and we believe we're in the early stages of an economic recovery," he said. "The greatest challenge is trying to handicap what US policies will be and how serious politicians are in averting more crises. I've never seen a period where there's such uncertainty in regard to policy."

William C. Rudin (BS '79)

CEO and Vice-Chairman, Rudin Management Co. Inc.

Chairman, Association for a Better New York



Few New Yorkers can claim a pedigree like Bill Rudin's. His great-grandfather left Russia in the late 1880s, saved his pennies, and by 1905 had bought a building on East 54th Street. Rudin and his family still own that land and surrounding parcels, where an office building now stands. In fact, the Rudins own a total of 16

“The greatest challenge is trying to handicap what US policies will be and how serious politicians are in averting more crises.”

— Martin Cohen (MBA '76)

commercial and 20 luxury residential high-rises, all in Manhattan (except for the first building built by Rudin's grandfather, Samuel, in the Bronx). Their company is in the midst of redeveloping the historic Greenwich Village property where St. Vincent's Hospital stood since 1849. This phenomenal portfolio was accumulated by savvy deal making according to the precepts Sam espoused: “If I can't get there by subway, I don't want to own it. Build an apartment building when you build a commercial property. Be innovative in creating your product. Be responsive to your customers' needs.”

The St. Vincent's project is a family affair. Along with Rudin's uncle, cousins, and sister, Rudin's daughter Samantha and son Michael (both NYU graduates, as is his wife Ophelia, whom he met at Stern in 1977) actively participate in the family business and have been involved in the design and sustainable development of the buildings. The project comprises seven buildings, including an emergency clinic and diagnostic facility, a 16,000-square-foot public park, an AIDS memorial, and a nursery school, as well as a condominium building.

A tireless industry advocate, Rudin is an incorrigible New York booster who has a seat on what seems like every important board in the city, including NYU's. His focus is on promoting policies that will continue diversifying the city's economy in order to generate jobs and invigorate the local businesses and real estate marketplace. He notes: “In New York City, the shrinkage in the financial sector is being offset by the growth in technology companies, and those employees want to live in New York. We need to put in place the right product and the connectivity for them, so that the human network that is so essential to a city's vitality can develop.”

Kelly Kennedy Mack (MBA '02)

President, Corcoran Sunshine Marketing Group

Kelly Mack's immediate goal when she was earning her MBA at Stern was to pass accounting. “I barely made it!” she confessed. That deficit hasn't held her back.

Named Stern's first-ever Distinguished Young Alumna, Mack, 38, is president of Corcoran Sunshine Marketing Group, a leader in the planning, design, marketing, and sale of luxury residential development. In this role, she drives the company's expansion and works with some of the most distinguished developers, architects, and designers in luxury real estate. Since Mack became president in 2006, the company has transacted a landmark \$12 billion in sales and grown to be New York's consistent new-development market share leader.

Mack graduated from Stern just as the dot-com bubble burst and torpedoed her goal of working in media and entertainment, but the MBA experience

had taught her to have an eye for the main chance. “I left Stern with the ability to recognize business opportunities of all kinds,” she said. Mack met with Louise Sunshine, founder of The Sunshine Group, who hired her as vice president of business development. Mack said: “I told her I would work for free for the first three months if she would let me live and breathe her





Kelly Mack's (MBA '02) marketing group at Corcoran Sunshine handles luxury properties like this planned 60-story tower in Manhattan's TriBeCa neighborhood. Designed by Herzog & de Meuron, "56 Leonard" houses 145 apartments, each with uninterrupted views of the city, the Hudson and East Rivers, and New York Harbor.

world. I literally went everywhere she did and sat in on every call. There was a joke that I was the most overqualified intern in company history."

From her current perch atop Manhattan's roaring luxury market, Mack observed that "Optimism is an understatement. This is a powerful moment for the market." The challenges of the past few years when money was tight and development was at a standstill are turning into enormous opportunity. "The market is hungry for new product and almost every developer I know is looking for a place to build, getting a project approved, or securing financing," she said. "We're seeing rising confidence validated by price appreciation. Availability is at record lows. Developers are moving forward with projects at a skyline-altering scale we haven't seen in years."

Another opportunity beckons from international markets. Mack forged a partnership with Century 21 China, granting it exclusive representation in mainland China for Corcoran Sunshine's properties. The alliance has already proven effective. "Within the past year, our per-

centage of Asian buyers has risen about 10 percent," Mack said.

Joseph Sitt (BS '86)

Founder and CEO, Thor Equities LLC



Joe Sitt first got fired up about real estate as an undergraduate at Stern, inspired by a practitioner who flew in each week from Texas to teach. As a senior, Sitt formed Thor Equities, collected about \$100,000 from an informal group of friends, family, room-

**“In New York City,
the shrinkage in the
financial sector is being
offset by the growth in
technology companies, and
those employees want to
live in New York.”**

— William C. Rudin (BS '79)

mates, classmates, and their parents, and bought a foreclosed property in the Bronx. Five years ago he sold it for more than \$3 million.

From that precocious beginning, Sitt has grown Thor Equities into a \$2 billion-plus organization focused on urban real estate development, leasing, and management, with a strategy of pursuing premier retail and mixed-use assets in high-density areas and preserving or restoring them. Its portfolio includes hotel, office, warehouse and residential properties scattered in major US cities from Newark to Los Angeles, including nearly a score in New York City alone. Well-balanced between domestic and international investments, Thor has acquired property in Mexico City and recently restored London's historic Burlington Arcade.

Though today Sitt is focused entirely on real estate, from 1991 to 2000, he detoured into retail, founding Ashley Stewart, a clothing chain for plus-size urban women that he integrated into his inner-city developments, providing career opportunities for low-income minorities along the way. In 2000, he divested the chain, having built its sales to \$400 million.

Sitt is a thoughtful observer of real estate cycles. “I’m a big believer that what once was will be again,” he said. “People are dying to live in a market like New York now. Crime is lower, interest rates are low, and artist and tech communities are back in the cities. It’s cool now to live, work, and play in one neighborhood.”

The dense urban market remains Sitt’s playground, and he relishes the complexities of negotiating the community, political, and construction challenges. Thor’s

Coney Island investment is a case in point: After selling off a parcel to New York City for \$95 million, Thor still owns some seven acres, which Sitt will develop after the City makes necessary infrastructure improvements. His favorite comment on Thor’s philosophy of conservative investing is particularly apt: “In our market, too much debt can make a genius into an idiot, but time can make an idiot into a genius.”

Michael Nash (MBA '89)

*Senior Managing Director and Chief Investment Officer for
Real Estate Debt Strategies, The Blackstone Group*



Mike Nash, senior managing director and chief investment officer for real estate debt strategies at The Blackstone Group, joined that firm in 2007 to launch its high-yield real estate debt investment business. As the markets were melting down, it was a fortuitous moment for his debut, he said: “The crisis created an unprecedented

investment environment, which is all you can ever ask for as you launch a new business.”

Nash’s interest in real estate was sparked at Stern. “I was working at Deloitte and going to Stern part time, and I took some real estate finance classes as part of my MBA,” he recalled. “The whole MBA experience was a chance to find a new passion and pursue it. The light switch went on at that time, and when I left Stern I interviewed for jobs within the real estate industry, landing at Bank of Nova Scotia to do real estate financing. Without exposure to the industry through Stern, I might have pursued a different path.”

Since his start in 1989, the industry has gone through “a bit of a revolution,” Nash observed. With the emergence of debt and equity capital markets in the early 1990s, firms have been able to grow dramatically. Over

the same period, offshore investors increased their activity in the US and Europe, much as US firms invested globally. Technology has turbocharged the whole process. “Today, a wealth of previously inaccessible information is available to market participants,” Nash said.

Nash is optimistic about the outlook for real estate. Despite the obvious risk, he explained, fundamentals are improving. Over the past few years, he explained, with new supply curtailed and modest economic growth, property markets are stabilizing and pricing is improving. Also, values are still relatively low. Meantime, capital is seeking yield and is attracted to real estate as an income-producing, hard-asset class.

“As a lender to commercial real estate, we like markets where people will pay a premium for the liquidity we provide,” Nash said. “It’s a little old school, but if you treat people well, act with high integrity, and always deliver on a promise, you’ll do well regardless. In our business, the recession and continued volatility make that more relevant than ever.”

Elliott Bross (MBA ’95)

President, General Director, and Partner, Planigrupo



Elliott Bross came to the real estate business naturally. His father, an architect, started a design and construction firm in Guadalajara when he was four. “Every Saturday, I would go with him to visit whatever projects he was working on,” Bross recalled. At age 11, young Bross made his first offer to buy property. It was not accepted.

Bross, now 42,

“The market is hungry for new product ... Developers are moving forward with projects at a skyline-altering scale we haven’t seen in years.”

— Kelly Kennedy Mack (MBA ’02)

joined the family firm in 1995 when it had three shopping centers and about 10 employees. In the past 17 years, the company, now with 120 executives, has developed more than 45 shopping centers.

Bross credits his Stern education for his success. “As an undergrad poli sci major, I had few financial skills. Stern gave me the analytical tools and taught me the proper language to approach and conduct business, and on another level, it gave me confidence.”

Even 20 years ago, real estate development in Mexico was highly concentrated in a very few families, with nonexistent or unsophisticated financial mechanisms. “Thanks to Professor Aswath Damodaran’s class, I was the first to run discounted cash flows. This, as simple as it sounds now, enabled me to convince US-based investors to invest with us. We were the first in Mexico to attract US-based equity willing to invest in pesos returns. Today the market supports publicly traded REITs (Fibras) and investment funds.”

Bross says one goal has been to create wealth not just for himself but also for his country: “In the last decade, our company has created more than 45,000 jobs, which translates to over 200,000 people having a better standard of living.” Beyond Mexico, he’s bullish on Central America, Colombia, and Brazil, as well the Latin market in the US, specifically in California, Arizona, Nevada, and Texas.

Long-term, Bross’s goal is to transform his company from a family business into a more institutional organization. “The idea is to hand over a company that transcends my generation and has the ability to survive without family involvement,” he explains.

Marion O. Sandler (MBA '58)

1930-2012

She was a trailblazer for women in finance. Back when the only seat open to a woman was in the secretary's chair, Marion Osher, raised in a small town in Maine, took her innate intelligence, her confidence, and her blue-chip education, and proceeded to break down barriers. In 1955, she became one of only two professional women on Wall Street. At NYU's Graduate School of Business Administration, she was the first woman to win the Money Marketeters' Marcus Nadler award for earning the highest scholastic ranking in banking and finance.

This young woman on the rise met attorney Herbert Sandler, who would become her lifelong spouse and business partner, on a Hamptons beach in 1960, a year before she joined Oppenheimer & Co. as a savings and loan analyst. Together they figured they could do a better job running an S&L than many companies she followed. In 1963, with a bank loan and family support, they acquired an Oakland, Calif.-based thrift with two offices, 26 employees, and \$34 million in assets.

Over the next 43 years, the Sandlers served as husband-and-wife CEOs of Golden West Financial Corporation, the parent of World Savings Bank. Golden West – which grew to become the country's second-largest S&L with \$124 billion in assets, 285 savings branches and lending operations in 39

states – was a risk-averse residential mortgage portfolio lender with a long-standing reputation for ethics and integrity, quality lending, the lowest loan losses in the industry, high tangible net worth, and low expenses. Unlike most other financial companies, Golden West kept its own loans on its books and did not securitize and sell loans to others. Its long-term compounded earnings record, compiled over more than 40 years, ranked just behind Berkshire Hathaway's.

Sandler was one of the first female CEOs of a Fortune 500 company and the longest-serving. The company was one of the first to employ women as branch managers, loan sales representatives, and appraisers. A majority of its board were women. Among many honors, Sandler was Morningstar's CEO of the Year and listed among *U.S. Banker's* 25 Most Powerful Women in Banking.

An engaged and compassionate philanthropist, Sandler also leaves a substantial charitable legacy in the Sandler Foundation. The foundation, which received a \$1.3 billion contribution from the couple in 2006, has distributed more than \$550 million to innovative science and public interest initiatives since its founding in 1991.

Regrettably, as this feature was being prepared, Marion Sandler died, but the editors wanted to share her inspiring story.





STERNInTheCITY

There's No Business Like Show Business

By **Rika Nazem**

Toward the end of the spring 2012 semester, a group of Stern students were given a unique opportunity for business school students – a ticket to see the 2012 Tony Award-winning

Broadway show, “The Gershwins’ Porgy and Bess.” With tickets generously donated by the show’s producer and president of Maxolev Productions, Howard Kagan (MBA ’87) and his wife, Janet (MBA ’95), the students were treated to a night of Broadway theater – and given insight into the business of theater production on the grandest scale.

Having worked on Wall Street for more than 25 years, Kagan, a former analyst and investment manager, knows a thing or two about business. At first glance, theater production and investment management couldn’t seem more different. But look a little closer, and Kagan will tell you that they are more similar than not. “Theater is a business,” he explains. “Instead of hiring a great CEO, traders, or risk managers, a producer must hire a great director, composers, set designers, and actors. We view the team of professionals working on a show as a management team – one that is crucial to the show’s success.”

Relationships – and New York City – have also been important to the Kagans’ new career in theater production. In fact, it was these relationships, both social and professional, that helped them get Maxolev Productions

off the ground. “I found that my relationship-building and financial skills, and using those skills in the theater capital of the world, play a leading role,” in his success. And so Kagan’s transition is an inspirational one. “New York City provides enormous opportunity,” he says. “It is easier than you think to take your existing skills and apply them to an entirely new industry.”

The Kagans adhere to a couple of principles when selecting their projects, including choosing scripts that have strong female leads. “It is one way to show my third grade daughter what strong women look like and what they can do,”

Howard explains. “Bess in ‘Porgy and Bess’ is complicated and

flawed, and is influenced by the men around her but ultimately makes her own decisions. It is a 75-year-old play with themes still very relevant today.” Next season, the Kagans will be producing five shows: two in the fall, “The Anarchist,” David Mamet’s play starring Patti LuPone and Debra Winger, and “Pippin,” a revival of the smash Stephen Schwartz musical; plus



Theater producers Howard Kagan and his wife Janet celebrate winning the 2012 Tony Award for Best Revival of a Musical for “The Gershwins’ Porgy and Bess.”

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Helping Transform the City, One Investment at a Time

By Carolyn Ritter

“**T**here’s no such thing as a typical day,” said Scott C. Alper (BS ’97). Alper oversees several teams, including acquisitions, asset management, accounting, construction, and leasing, at The Witkoff Group LLC, a New York-based real estate investment firm. Alper is constantly bombarded by phone calls and meetings with brokers, architects, engineers, leasing agents, lenders, partners, and more. But he wouldn’t have it any other way.

“I was drawn to real estate because it’s something that you can touch and feel,” he explained. “I always had an interest in finance, but after a summer at the New York Stock Exchange, I knew that investment banking and trading wasn’t for me.” When it came to real estate, however, he was hooked.

As an undergraduate at NYU Stern, Alper interned for his brother-in-law, a real estate lawyer – his introduction to the industry. Upon graduation, he landed a financial analyst position at Witkoff.

“I was a sponge during those first years, asking a million questions,” he recalled. With firm Chairman and CEO Steven Witkoff as a mentor, along with an unwavering dedication to learning and a true passion for the business, Alper flew up the organizational ladder. He admitted to working seven days a week for the first four years, but the hard work paid off. After 15 intense years, he earned a partnership in the business, serving as one of only three principals at the firm today.

When asked what he loves most about his job, Alper didn’t hesitate: “Development. It’s really excit-

ing to see how our work has transformed parts of New York City. Seeing a project go from mere floor plans to construction and then finally being occupied is very rewarding.”

He highlighted a few special projects, including Witkoff’s investment in what used to be known as New York’s flower district, around Sixth Avenue between 25th and 27th Streets. “In just 13 years, we helped create a hot new residential submarket in Chelsea,” he said. Similarly, his firm invested in the financial district in 1995 and played a critical role in the re-branding of the area as a desirable residential and office neighborhood.

Alper’s industriousness hasn’t gone unnoticed. Having worked on some \$400 million in investment properties in New York and other major cities this year alone, he made the 2012 *Crain’s New*

York Business list of “40 Under Forty.”

If he has a recipe for success, he’s not telling. “We look for upsides and where we can create value,” he said modestly. “It’s a very hands-on job. You can’t be passive and successful in this business.” Stressing the importance of relationships and having a good nose for deals, he credited Witkoff’s superstar team. “We have a lot of in-house expertise, so our internal SWAT team can really attack a deal when we see an opportunity.”

Finding those golden investments isn’t always easy. Alper explained how his firm might execute on only every two or three deals after evaluating more than 25 possibilities. This cautious and research-intensive approach has been critical to the firm’s success, particularly in navigating through the global economic recession. “We have invested across different asset classes in



continued from previous page

a number of major central business districts across the country and in London,” he said. “As a result, we were able to maneuver through the down cycle relatively unscathed.”

As with anything in life, timing is everything, and according to Alper, things are heating up. In the last 18 months, the firm has invested a significant amount of capital in new deals in New York and Florida, including the development of 150 Charles Street in the West Village, 1107 Broadway on Madison Square Park as well as the construction of a 231-room Hilton hotel in Miami.

Looking to the future, Alper sees a lot of question marks in the real estate sector. “The future of Dodd-Frank regulations and the political climate in NYC will have a huge impact on the NYC market,” he warned. “Bloomberg has been wonderful, but who the next mayor will be and what his/her agenda will look like is

“The future of Dodd-Frank regulations and the political climate in NYC will have a huge impact on the NYC market.”

the \$10 million question right now.”

Recalling his time at Stern, Alper beamed about the program: “Being located in the City gives you access to practitioners that you can’t get at other schools.” He also highlighted Stern’s strong bench of faculty who both teach and practice their trades: “Learning from

industry professionals who bring real-life case studies to class is invaluable.”

While free time is certainly limited, Alper spends it with his wife Randi Udell (Gallatin ’04), daughter Sienna London and dog

Harley, and plays golf and tennis or skis when he gets the chance.

His parting advice to any Stern alumni trying to break into the industry: “Be persistent and resourceful, and really listen. And don’t be afraid to ask questions – you can’t learn this business from a textbook.” ■

Scott Alper photo credit: (C) Buck Ennis/Crain Communications Inc.

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three shows in the spring, “Hands on a Hard Body,” composed by Phish’s Trey Anastasio, a musical comedy about Bollywood in the 1950s called “Bunty Burman Presents,” and a new musical, “Tuck Everlasting,” based on the beloved novel by Natalie Babbitt.

They have other projects in the pipeline, including a non-profit production at NYU’s Skirball Center for Performing Arts this January, which will host a theater group from Israel called Nalaga’at.

Howard explains: “This show was a huge hit in Israel and London, and a unique spirit arises in the theater because the entire cast is blind and deaf. Members of the audience will experience what it is like to enjoy a meal at the NYU Torch Club in total darkness, then

“Theater is a business. We view the team of professionals working on a show as a management team – one that is crucial to the show’s success.”

will go into the theater to watch the Israeli performers – with a renewed appreciation for one’s own senses as well as the casts’ ability to perform theater and enjoy life without the senses we take for granted.”

With all of this in the works, Howard considers his family as his greatest production. He and his wife endowed a Stern undergraduate scholarship and support the Social Impact Internship Fund. “We are both interested in seeing business students apply their skills not just to Wall Street but to other types of businesses, nonprofits, and governments around the world.” With their three children, two sons and a daughter, they enjoy traveling, hiking, and, unsurprisingly, attending the theater. ■

Tête-à-Tête with Titans

Four New York Real Estate Leaders Share Their Insights

On May 15, the NYU Stern Center for Real Estate Finance Research held an inaugural day-long conference, led by **Stern Professor of Finance Stijn Van Nieuwerburgh**, director of the Center. The confer-

ence, which focused on topics and issues in the real estate industry, culminated in a panel discussion on the current and near-term prospects in commercial real estate. Panelists included **William Mack (BS '62)**, founder and chairman of AREA Property Partners, which has diverse real estate holdings in 25 countries throughout the world, including office, retail, hotel, multi-family, and residential properties, as well as mortgage securities, land investments, and public and private real estate operating companies; **Philip Milstein (MBA '74)**, principal of Ogden Capital Properties, a developer of luxury residential skyscrapers in New York City; and **Larry Silverstein (ARTS '52)**, president and CEO of Silverstein Properties, a Manhattan-based real estate development and investment firm. The panel was moderated by **Stern Clinical Professor Harry Chernoff (BS '68, PhD '85)**, who teaches a course called, "Real Estate Development and Entrepreneurship."



Harry Chernoff: *What is the one major lesson you would recommend we teach our real estate students?*

Philip Milstein: I'm very conservative, so I would advise them to have financing that's more than they ever expect to use. Projects take a lot longer than originally anticipated, so they should be prepared, financially, and have enough for all the soft costs and the carry. If it's a year rent up, plan for a year and a half.

William Mack: Understand the risks and the downside, so that you can protect your back if things go bad. Also, especially for someone starting out, be very careful about giving your word. The reputation you establish follows you for the rest of your life.

Larry Silverstein: Make sure you have enough capital to fully carry you through from beginning to the end. Don't rely on excessive financing, because, number one, you're probably not going to get it, certainly in this market. But more important, excessive financing leads to property loss. Most important, guard your name and reputation. Live up to your commitments.

HC: *In this era of the virtual company, is New York City as important an address as it used to be? How do you think this will affect the commercial markets?*

LS: Wherever you go today, people who control the capital want to invest it in New York City. They want the stability that America represents, and the continuity and growth they see in the City. That's going to sustain itself a long time.

WM: As technology has become more prevalent, the cities have become more, rather than less, relevant. People want to be where there's culture, restaurants, schools, and people of similar thinking, but who are also diverse. When corporations view where the best markets for talent are, they are choosing to be in or close to cities. The real action, from office to retail, to residential, is on the High Streets of the world. New York is experiencing the best of the best in this situation.

HC: *Can you use these macro trends to value specific deals that you're working on?*

LS: In New York we have many first-class brokerage firms that produce highly reliable data. Doing without it would make our lives more difficult.

PM: New York is the exception. To apply macro trends from other parts of the country to New York doesn't really work. People pay the highest prices in the world here because good-quality New York real estate is in such scarce supply.

WM: While statistics are valuable, they're backward looking, and it's how you evaluate and how perceptive – and lucky – you are in doing things that will have legs, because any development or redevelopment project requires a number of years.

HC: *Has the competitive nature of the real estate business changed in recent years?*

WM: It's probably more competitive. Today, most everything is auctioned. So whether you are shopping for a loan, selling, or buying property, there's a complete set of information in the market, which makes any situation a lot more competitive. Therefore pricing is more competitive and so is the development or the investment marketplace.

PM: Also, you have more buyers, and more of an international market here, more pools of capital. The competitors used to be people in the real estate business. Now everybody thinks they're in it – private equity, hedge funds, wealth funds, sovereign wealth funds, pension funds.

LS: The world is awash in capital. Those capital sources want stability, a country where laws exist, and a system that functions reliably. The stock market no longer has the allure it did, so hard assets have taken on a special allure.

HC: *What kind of impact will promised tax code changes have on the real estate market in the next five years?*

WM: The favorable tax laws have been not only favorable to individuals in the real estate business, they've held down the returns and the cost of rents that are passed through. I think that if there is an overhaul of the tax code, it will hit real estate somewhat severely.

HC: *How do you think the upcoming elections are going to affect the industry?*

PM: If the Bush tax cuts expire, you're talking about increases in taxes across the country of \$400 billion to \$500 billion a year. All businesses will have a large burden, the economy will be badly affected, and there's the potential for another recession. The real tragedy is the mayhem and the lack of cordiality and civility in Washington, whether Democrats or Republicans. They're only worried about getting reelected.

AUDIENCE QUESTIONS

Q: *From the tenants' perspective, is being in New York to do business still as important as it was? And are these tenants still utilizing the real estate the same*

as they were, or is the footprint shrinking?

LS: I see shrinkage. Financial institutions use their space differently from some of the creative trades. New York is beginning to experience a determined interest by significant companies in technology and also communications and the creative industries. Their footprint varies significantly from the financial footprint. But it's all good for the city.

WM: There are certain industries that may be able to operate in the higher-priced cities because they can put more people per square foot. The downside is

that you may not need as much office space in the US tomorrow. The urban sprawl went out from the '50s to the '90s. The next fifty years, it's all coming in.

PM: It's happening in retail, also.

Q: *Are we awash in capital, or is it bank-created debt? If Europe keeps going the way it's going, is that going to change the rest of the equation?*

LS: It's hard to know how the Europe situation will be resolved. The simple reality is, the world is awash in capital, from whatever source. And it's seeking hard assets in which to invest.

WM: I think that the providers of capital, other than some of the banks, are in better shape to withstand a downturn in the markets than they were in 2008. If you look at some of the big capital providers, the sovereign wealth funds of the world, from China, Singapore, Abu Dhabi, etc., they're better positioned today than in 2008 to withstand any downturn that the fallout in Europe might produce.

Q: *Where are we in the development cycle?*

LS: I've never seen new, quality office buildings in New York stay empty for any lengthy period of time. As long as you have the wherewithal to ride out difficult times, and you're not burdening debt property with excessive debt, it's a perfectly good opportunity to continue to invest, certainly in New York. I've also never seen an over-supplied rental apartment situation in the City of New York. It's like we have two economies in this country, one in New York and one in the rest of the country. Still, the issue between the haves and the have-nots is enormous, and that has to be dealt with. But I'm looking forward to being able to continue to develop in the City. ■



(from left to right) William Mack, Professor Harry Chernoff, Jerry Cohen (BS '53, MBA '59) of Tishman Speyer, Larry Silverstein, Philip Milstein, and Professor Stijn Van Nieuwerburgh shared their perspectives on the commercial real estate market at NYU Stern's Center for Real Estate Finance Research Inaugural Conference.

**“The world is awash in capital.
Those capital sources want stability,
a country where laws exist,
and a system that functions reliably.”**

— Larry Silverstein (ARTS '52)

PROSPECTUS

New Faculty at Stern

In fall 2012, NYU Stern welcomed nine new tenured and tenure-track faculty members and an executive director of the Berkley Center for Entrepreneurship and Innovation. Professor **Jonathan Haidt**, a social psychologist, author of *The Righteous Mind*, and one of the founders of and pre-eminent researchers in the field of moral psychology, joined the Business and Society Program Area as the Thomas Cooley Professor of Ethical Leadership. He aims to integrate research on moral psychology with research and theory in business ethics, seeking the best ways to create organizations that function as ethical systems, and will create a course at Stern called "Ethical Systems Design." **Luke Williams**, a leading speaker, educator, and consultant



Jonathan Haidt



Luke Williams

on innovation strategy, and the author of *Disrupt: Think the Unthinkable to Spark Transformation in Your Business*, will head the Berkley Center and joined the Marketing Department as a Clinical Associate Professor of Marketing and Entrepreneurship.

In addition to Luke Williams, the Marketing Department welcomed two new assistant professors. **Andrea Bonezzi**, who earned his PhD in marketing from Northwestern University, is investigating fundamental behavioral phenomena that can inform marketing practice. **Daria Dzyabura**'s research focuses on the consumer search process of high-ticket products. She earned her PhD in Marketing from the

Massachusetts Institute of Technology.

Two professors are new to the Management and Organizations Department. Prior to joining Stern, Assistant Professor **Sinziana Dorobantu** was a Senior Fellow and Lecturer at The Wharton School and the Lauder Institute at the University of Pennsylvania. Her research interests span the areas of international business, strategic management, and political economy. Associate Professor **Belen Villalonga**'s research focuses on the financial, strategic, governance, and valuation issues faced by family businesses. Prior to joining Stern she was on the faculty at Harvard Business School.

The Department of Accounting welcomed Assistant Professors **Yiwei Dou**, **Ron Shalev**, and **Michael Tang**. Professor Dou received a PhD in accounting from the University of Toronto, and his research interests lie in financial reporting quality, debt contracting, and the real effects of accounting. Professor Shalev joined Stern as a Visiting Professor in 2011. His research interests include the causes and effects of mergers and acquisitions, intangible assets, and the effect of performance measures in compensation contracts on managerial discretion and accounting choices. Professor Tang is currently exploring guidance consistency, a new dimension of voluntary disclosure in accounting research. He earned his PhD in accounting from the University of Rochester.

Assistant Professor **Matteo Maggiori** joined the Finance Department. He earned a PhD from the University of California, Berkeley, and his research expertise is in international macroeconomics and finance. He will be on leave for the 2012-13 academic year to serve as a Fellow at the International Economics Section of the Department of Economics at Princeton University.

shorttakes

John A. Paulson Professor of Finance and Alternative Investments **Lasse Pedersen** was awarded the 2011 Bernácer Prize, given annually to a European economist under 40 who has made outstanding contributions in the fields of macroeconomics and finance.



Lasse Pedersen

Xavier Gabaix, Martin J. Gruber Chair in Asset Management, was awarded the 2012 Lagrange-CRT Foundation Prize for his research in

complex systems, in particular for his work on power laws in financial markets and macroeconomics. Each year, the international prize is awarded to a scientist or scientists under the age of 50 for their achievements, theoretical and experimental, relevant to the progress, applications and dissemination of complexity science.

"Religion, Evolution, and the Ecstasy of Self-transcendence" was

the subject of a TED talk by **Jonathan Haidt**, Thomas Cooley Professor of Ethical Leadership. The talk presented ideas from Haidt's new book, *The Righteous Mind*, and was viewed by 350,000 people in its first month.

Vicki Morwitz, Harvey Golub



Vicki Morwitz

Professor of Business Leadership, Professor of Statistics and Operations Research, and

research roundup

Professor of Marketing **Henry Assael** received the Advertising Research Foundation's 2012 Great Mind Award, for his article, "From Silos to Synergy: A 50-Year Review of Cross-Media Research," voted the best paper to appear in the *Journal of Advertising Research* in 2011 for making the greatest contribution to advertising theory and practice.



Henry Assael



Deepak Hegde

Assistant Professor of Management and Organizations **Deepak Hegde** was recently awarded a Junior Faculty Fellowship in Entrepreneurship Research, including a grant of \$40,000, from the Ewing

Marion Kauffman Foundation. The fellowship program recognizes junior faculty establishing a record of scholarship and exhibiting the potential to make significant research contributions to the field of entrepreneurship.

Anindya Ghose, associate professor of information, operations, and management sciences, Daniel P. Paduano Fellow, Robert L. & Dale Atkins Rosen Faculty Fellow, and co-director of Stern's Center for Business Analytics, received the "Innovative Approaches to Measuring Advertising Effectiveness" award for his work on "Mobile vs. Web Advertising." This award recognizes new empirical modeling approaches that leverage customer-level data on behav-



Anindya Ghose

ioral responses to mobile advertising and advances in experimental methods that can isolate and quantify different advertising effects across multiple platforms.



Nathan Pettit

In "The Social Context of Trust: The Role of Status," Assistant Professor of Management **Nathan Pettit** and his co-author, Robert B. Lount Jr. of Ohio State University, examine how status affects people's initial trust in others.

Assistant Professor of Marketing **Adam Alter** and Abigail Sussman, a doctoral candidate at Princeton University, showed in their research that while people are fairly adept at budgeting and predicting how much they will spend on ordinary items, they both underestimate their spending on unusual or infrequent purchas-



Adam Alter

es overall and overspend on each of those purchases. Their paper has been accepted at the *Journal of Consumer Research*.

In a recent study, Associate Professor of Management and Organizations **Steven Blader** and Ya-Ru Chen of Cornell University demonstrated that



Steven Blader

people who have a heightened sense of power treat others less fairly, as compared to individuals who see themselves as less powerful. But when it comes to self-perceptions of status, the roles reverse. The paper was published in the *Journal of Personality and Social Psychology*.

Robert Miller Faculty Fellow, delivered a talk, "How Consumers React to Partitioned and Drip Pricing: Evidence From the Lab," at a Federal Trade Commission conference in May.



Joel Hasbrouck

Professor of Finance and Kenneth G. Langone Professor of Business **Joel Hasbrouck** has been named to the US Commodity Futures Trading Commission's new Subcommittee on Automated and

High Frequency Trading.

Nobel Laureate **Robert Engle**, Michael Armellino Professor of Management and Financial Services and director of Stern's Volatility Institute, delivered remarks on the economy at the Bloomberg Washington Summit. The May event convened administration officials, CEOs, lawmakers, and economists to assess the economy and debate the path forward regardless of who wins



Robert Engle

the US presidential election.

In the third edition of *Global Banking* (New York:



Roy Smith



Oxford University Press, 2012), **Roy Smith**, Kenneth Langone Professor of Entrepreneurship and Finance and professor of man-

agement practice; **Ingo Walter**, Seymour Milstein Professor of Finance, Corporate Governance, and Ethics and vice dean of faculty; and Gayle DeLong of the Baruch College Zicklin School of Business reassess the continuing transformational process of global banking and finance – its causes, course, and consequences.



Ingo Walter



QUESTIONS

GLENN SALDANHA (MBA '96)

**Chairman & Managing Director,
Glenmark Pharmaceuticals Limited**

Twelve years ago, Glenn Saldanha, now 41, took the reins of the Mumbai-based pharmaceutical company founded by his father in 1977. Glenmark Pharmaceuticals has grown in that time from a largely generics manufacturer with \$20 million in sales to a generics and R&D-based global giant with \$900 million in sales and a market capitalization that has soared from \$40 million to more than \$2 billion. Besides a novel pipeline of primarily first-in-class molecules, the company's products are for prescription use, mostly in the dermatology, respiratory, and oncology sectors.

1. Between generics and R&D in search of blockbuster drugs, where are the greatest opportunities?

In both areas. The competencies we have gained on the innovation side are being leveraged to launch differentiated products in the branded generics business across markets like Brazil and Russia. On the innovation side, the focus is to stay ahead in our areas of research. To date we have concluded six out-licensing deals for our own molecules for more than \$200 million in milestone/upfront payments. We believe that innovation is the only way to transform into a truly global pharmaceutical company.

2. What is the most challenging aspect of your business?

Drug discovery and development has a long gestation period and is fraught with failures. In our unique model, we focus on discovering primarily first-in-class molecules globally and out-license them to Big Pharma in the development stage. This way the partner bears the cost of development while we utilize the milestone/upfront payment to further fuel our novel pipeline. If commercialized, each molecule can generate at least a billion dollars in sales, but the risks are enormous. Also, our success in the generics business in countries like India, US, Brazil, and Russia, puts us under constant pressure from various quarters to focus on generics rather than innovation.

3. The Government of India just announced a historic drug subsidy program. Did you play any role in moving that program forward?

Pharmaceutical companies, including ours, have actively encouraged the government's role in this regard. Medicine prices in India remain low, but accessibility remains an issue. Some state governments have announced free medicines. The government has to play an active role to improve accessibility for every corner of the country and the poorest of the poor.

4. As a multinational, how do you deal with the myriad regulatory systems governing pharmaceutical companies?

We, like others, spend a lot of time on regulatory visits from every country. It is important for a global regulatory framework to be put in place, or at least regulatory guidelines from a regional point of view.

5. Big Pharma is both your business partner and your competitor. How do you negotiate that terrain?

In the pharmaceutical business you collaborate at one end and compete at the other end. While we challenge patents of Big Pharma, we collaborate and partner with them in drug discovery. Similarly generic companies buy active pharmaceutical ingredients (API) from us or we buy API from other generic companies – at the same time we compete with them in the formulations business. Everyone is aware of the rules of the game. It's important that these collaborations/partnerships are transparent and within the regulatory laws of the country.

6. How often do you travel abroad?

I ensure I travel at least 10 days a month. For me, leadership is all about being connected. Every employee and business of Glenmark, whether big or small, should feel there is a major role to play in the growth of the organization.

7. What were the most valuable aspects of your Stern experience?

In the beginning it was a challenge to adapt to a different culture and a different work style. However, the opportunity to work with various cross-functional teams was enriching, and I was able to get a broader perspective of the world. Stern allowed me to make as many mistakes as possible without any consequences. B-school also helped me understand finance properly. I had some great professors like Aswath Damodaran, Marti Subrahmanyam, Roy Smith, Ingo Walter, Richard Freedman, and Ernest Kurnow, who imparted a lot of knowledge that stays with me even today.

8. How do you spend your leisure time?

I believe in having a good work/life balance. I enjoy spending quality time with my wife and two daughters. I am also an avid badminton player. So, whenever I am not traveling, I make it a point to play the sport in the evenings after work.

A magnifying glass with a black handle and a silver rim. Inside the lens is a detailed illustration of a human eye with a blue iris and black eyelashes. The magnifying glass is positioned vertically, with the lens at the top and the handle extending downwards. The handle rests on a piece of light-colored, textured paper. The background is a solid blue color with a subtle, mottled texture.

LITTLE-KNOWN FACTS ABOUT WELL- KNOWN NAMES:

FROM CRAIGSLIST TO THE TONY
AWARDS, STERN FACULTY UNCOVER
FASCINATING INSIGHTS.

By **Marilyn Harris**

Stern professors turn out original research at a prodigious rate, investigating every nook and cranny of our world. The three papers represented here are prime examples.

In “Looking for Love in All the Wrong Places,” Anindya Ghose trains his eye on the relationship between the online marketplace Craigslist and the transmission of sexually transmitted disease. What he finds isn’t all that surprising and is even less comforting. Heski Bar-Isaac looks at the consequences of another modern phenomenon in “The ‘Best’ Lists: Not All That Good,” concluding that the impact of rankings on hospitals and universities may ultimately lead to a misallocation of funds by those institutions. Finally, in “Of Critics and Calculations,” Jeffrey Simonoff puts us in a front-row seat as he analyzes how the Tony awards and newspaper reviews affect the attendance and longevity of Broadway shows.

LOOKING FOR LOVE IN ALL THE WRONG PLACES

A NEW STUDY SHOWS THAT WEB-ENABLED HOOKUPS LEAD TO MORE STDs



One of the earliest and most popular websites to emerge in the Internet era, Craigslist has been a boon to anybody looking to buy or sell a used couch, rent an apartment, or give or take guitar lessons, to name a few of the myriad goods and services exchanged through the site. An astoundingly fertile digital market-

place, Craigslist has not only become a major crossroads where buyer meets seller but – inevitably – a thriving virtual bar scene for casual-sex seekers. However, what many of these sybarites may not anticipate, according to new research, is that the near-anonymous one-night stand they score is often accompanied by an undesir-

able freebie: sexually transmitted disease (STD) or even HIV.

In a study with both health care and policy implications, Anindya Ghose, associate professor of information, operations, and management sciences at NYU Stern, and Jason Chan, a doctoral student in that department, show that the entry of Craigslist into the markets they investigated has resulted in a

wider spread of syphilis and HIV in those locales. In “Internet’s Dirty Secret: Assessing the Impact of Technology Shocks on the Outbreaks of Sexually Transmitted Diseases,” Chan and Ghose wrote: “This study represents the first empirical effort that quantifies the causal impact of Craigslist’s entry on increasing the rate of HIV and syphilis infection in the US.” Their paper took top honors at the Workshop on Health IT & Economics (WHITE) at the University of Maryland in 2011.

Craigslist, which first emerged as a local service in San Francisco in the mid-1990s, was in 70 countries by 2011. The personals category was expanded to include several US cities in 2000. A typical personal ad post on Craigslist can consist of text requesting a meeting; a phone number; a randomly generated Craigslist e-mail address; and a photograph. Personal ads are classified into sub-categories denoting the type of relationship sought – e.g., men seeking men, men seeking women, women seeking women, casual encounters, etc. Other online personals sites exist, but Craigslist’s personal ads attracted the most traffic, according to Chan and Ghose.

Pros versus amateurs

Although until 2010 Craigslist also maintained a paid adult erotic services category, the researchers focused on free hookups; they reasoned that professional sex workers are generally more alert to the danger of STDs than those seeking casual liaisons. Further, Craigslist,

though it transformed the market for casual sex, likely had less of an impact on prostitution.

Chan and Ghose structured the study to rule out coincidence as the reason behind the growth of Craigslist’s personals listings and the spread of STDs and HIV. Craigslist’s expansion in the US took place between 2000 and 2005, during which time the website was rolled out in certain cities on specific dates. Prior to 2001, the rates of infection for both HIV and syphilis were trending downward. Said Ghose:

“Craigslist’s entry nevertheless creates an economically significant impact on US health care costs – over \$263 million in annual treatment costs.”

“Our identification strategies relied on a difference-in-difference approach that assessed Craigslist’s post-entry impact by detecting changes in the rate of HIV and syphilis cases based on the variation in Craigslist’s presence across states and time periods.”

To fashion their analysis, the authors culled archival personals postings from 2000 through 2005 and incorporated epidemiological data collected by the Centers for Disease Control and Prevention (CDC) and the National Institutes of Health. Their results showed a 17.8 percent increase in the rate of new HIV cases and an 18.8 percent increase in the rate of syphilis infections post-Craigslist during that period.

A call to action

Those figures are sufficient to cause concern among health professionals, Chan and Ghose observed. They calculated that the entry of Craigslist leads to 10,491 HIV cases each year in the US. This represents 32.8 percent of all new HIV cases developed in a year in each state. “Though this coefficient is small compared to that of the sexually active population,” he said, “Craigslist’s entry nevertheless creates an economically significant impact on US health care costs – over \$263 million in annual treatment costs.”

With cause and effect thus demonstrated, Chan and Ghose noted because sites such as Craigslist are only minimally regulated they have measurable undesirable social consequences.

Individuals exert little self-regulation over their casual sexual behavior despite the known health risks involved. The result is not only a greater incidence of STDs in society but a greater drain on resources with which to treat them. The findings raise a crucial question for policy makers and health care practitioners, Ghose said. “Whose responsibility is it to regulate sites,” he concluded, “site owners or some central authority?”

ANINDYA GHOSE is associate professor of information, operations, and management sciences, and co-director of the Center for Business Analytics at NYU Stern. JASON CHAN is a PhD student at NYU Stern.

O

OF CRITICS AND CALCULATIONS

NEW RESEARCH PROVIDES DATA ON HOW TO SUCCEED ON BROADWAY

The corn may be as high as an elephant's eye, but for Broadway producers there could be trouble in River City if a show fails to earn a Tony award or even a nomination.

That's one of the conclusions reached by NYU Stern Professor of Statistics Jeffrey Simonoff, who recently completed research into the effect of Tony awards, newspaper reviews, and strong opening weeks on the longevity of musicals and plays produced on Broadway.

In "Survival on Broadway: An Empirical Investigation of Recent Trends," Simonoff, Nikolay Kulmatitskiy, a Stern PhD student, and Lan Ma Nygren, an associate professor in management sciences at Rider University and Stern PhD graduate, examined data relating to 223 shows, including original musicals, plays, and revivals, that opened between October 2000 and April 2009, excluding limited engagements. In



addition to Tony nominations and awards, the authors also factored in attendance patterns, as well as the effect of reviews that appeared in the Daily News, The New York Times, and USA Today.

A hit or a flop

Simonoff's findings improve on previous research by correcting for the distortions that result from ignoring the effects on show open-

ings or limited runs based on the annual award ceremony. "In the Broadway theater business," he said, "where attracting the largest theater-going audience is critical, theater owners, producers, and investors need to understand what goes into a smash hit. This research takes an important step in furthering our understanding of what goes into both hits and flops in today's business of Broadway."

Among the authors' findings was that musicals do better

than otherwise identical non-musicals – the expected post-awards life of a musical is 2.6 times that of a comparable non-musical.

As for revivals, though they have a lower risk of failure in the short term, they have a 40 percent shorter expected post-awards life than original shows.

Not surprisingly, Tony awards and nominations have a beneficial effect. Each Tony award is associated with a 25 percent reduction in the risk of failure, and each additional non-winning

nomination is associated with a 14 percent reduction in the risk of failure. A winning nomination has a stronger positive effect than the negative cost of losing one, so it's clear that just to be nominated is a boost. Put another way, each award is associated with a 39 percent increase in the expected post-awards life, while each non-winning nomination is associated with a 26 percent gain in

the expected post-awards life.

How big a show opens is also a factor in its survival, and the authors found that positive reviews in the Daily News only, not The Times or USA Today, could boost attendance at shows that opened in the months preceding the Tony awards. In the first week after the awards, attendance also matters: each additional percentage point in the attendance

rate is associated with a three percent increase in the expected post-awards life.

JEFFREY S. SIMONOFF *is the Toyota Motor Corporation Term Professor of Statistics at NYU Stern.* LAN MA NYGREN *is associate professor of management sciences at Rider University.* NIKOLAY KULMATITSKIY *is a PhD student at NYU Stern.*

THE “BEST” LISTS: NOT ALL THAT GOOD

WHY RATING SCHOOLS AND HOSPITALS MAY HURT CONSUMERS IN THE LONG RUN

In the past several years, certain magazines and websites, by virtue of their annual surveys, have become self-proclaimed connoisseurs of the best colleges, business schools, high schools, hospitals, and doctors, to name a few of the ostensibly rank-worthy. These surveys pump up their purveyors' newsstand sales and online hits, and both consumers and the institutions that are rated pay them great heed.

The so-called best high school in a particular state, for instance, might be so ranked on criteria that include the number of

students in AP classes, the number of graduates admitted to four-year and Ivy League colleges, and average AP and SAT scores – impressive credentials all.

But do these criteria fully reflect

“If patients now choose hospitals based on an online database that grades the facilities on a certain number of set criteria, hospitals are more likely to focus their efforts on these areas to the exclusion of others, and potentially to the detriment of patient welfare.”

the merit of a particular school? Perhaps the school's worth should

also be judged on criteria that are harder to measure – such as the quality of attention paid to various kinds of learners. But because of the rankings, high schools across the state are likely to have redirected their budgets toward expanding their AP offerings, at the expense of training teachers to teach more creatively for different learners.

In “Information-Gathering Externalities for a Multi-Attribute Good” (published in the Journal of Industrial Economics), NYU Stern Associate Professor Heski Bar-Isaac and co-authors – Guillermo Caruana of Centro de

Estudios Monetarios y Financieros and Vicente Cuñat of the London School of Economics – investigated the phenomenon of rankings, whether in the education or health care sector. They concluded that rankings, while an easily accessible resource, may actually be harmful to consumers in the long run. “Even if the information were entirely reliable and would be useful for any individual,” said Bar-Isaac, “it can still be damaging because it changes the way that others gather information, and so in the long run the way that firms make investments.”

Reshaping the marketplace

Drawing from the example of business schools rankings, which have now existed for more than a decade, the researchers presented a model to show why rankings, while seeming to be helpful, can introduce a distortion in the marketplace that may not be in the best interest of the consumer. Institutions have been shown to allocate resources to the areas on which the rankings focus, even if their customers might have been better served by allocating those resources differently.

As a consequence of the kind of ranking information that’s readily accessible to potential students, “Schools invest in new buildings and dorms at the expense of other aspects, like teacher quality, that are not so easily captured by the rank-



ings,” Bar-Isaac said, adding, “It is easy to describe average salary after graduation from a business school, but harder to describe the extent to which the teaching style and culture will appeal.”

The research has implications for health care as online hospital rankings gain favor. People traditionally chose hospitals through extensive research and word-of-mouth recommendations, and a likely consequence of this process was that hospitals were motivated to work for the overall best health outcome of each patient. If patients now choose hospitals based on an online database that grades the facilities on a certain number of set criteria, hospitals are more likely to focus their efforts on these areas to the exclusion of others, and potentially to the detriment of patient welfare, said Bar-Isaac.

As one example, hospitals ranked on the attractiveness of hospital rooms might be more likely to dedicate resources to renovations, even though hospital patients could be better served by allocating those resources to an increase in nursing staff.

The authors also raise the question of whether hospitals will influence the information that prospective patients access in a way that benefits the institution rather than the consumer.

HESKI BAR-ISAAC is associate professor of economics at NYU Stern. GUILLERMO CARUANA is associate professor of economics at Centro de Estudios Monetarios y Financieros. VICENTE CUÑAT is a lecturer in economics at the London School of Economics.

PEER TO PEER

Student Life in Washington Square and Beyond

NYU Stern Torchbearers Help Admitted Students Say Yes

By **Keith F. Miller, Jr.**

Sent SAT scores and recommendations and completed application essays? Check. Mailed off the application? Check. A few months later an envelope postmarked New York arrived in the mailbox – it's bulky, not flat! – and you nervously tore it open: "Congratulations, you have been accepted into New York University's Leonard N. Stern School of Business." You ran into the house, beaming with excitement.

As an alum, you may remember the rush of excitement when you nailed that acceptance to NYU Stern. In that moment, you knew all your hard work and studying had paid off. But as more acceptance letters from other universities rolled in, choosing which school to attend wasn't so easy.

These days, the sending and receiving of applications and acceptances are all at the push of a button, but the emotion – and the decision point – are the same.

The NYU Stern Torchbearers program, now in its second year, was designed to help admitted students move the needle on that decision. The program connects "admits" with Stern alumni during this crucial decision time. After viewing a short online training video, each Torchbearer is ready to contact approximately 20 accepted students and share his or her own personal Stern stories.

This year, 60 Stern alumni charged ahead to contact more than 1,200 admitted students from around the world. As Rahul Mehta (BS '08) explained, "I remember the difficulties of choosing which school I would ultimately attend, and I wish that I had an additional resource such as a recently graduated student to share his or her insights."

Some alumni decided to become Torchbearers based on their own experiences speaking with an alumnus before deciding which college to attend. As Sagar Vachhani (BS '10) remembered vividly, "I was debating between two schools at the time and it helped put me over the edge."

The time commitment is minimal, and many Torchbearers remark at how rewarding it is to speak with admitted students. "I enjoyed helping prospective students better understand college life and providing them with my experiences in the hope that they will be able to take full advantage of all NYU has to offer," said Simon Spero (BS '09).

Ramya Kishore (BS '08) also enjoyed her experience as a Stern Torchbearer, saying: "I really liked the opportunity to connect with potential Stern students. I had so many questions when I was deciding which college to attend, and I would have loved to have an alumna reach out to me. I had a great experience at Stern and loved being able to talk about it and, hopefully, helped students come to their decisions."

Thanks in part to our generous alumni, Stern will welcome one of its largest undergraduate classes this fall. Staying connected as an alumnus? Check.

Interested in becoming an NYU Stern Torchbearer? Please email sternuc@stern.nyu.edu for more information.



Sagar Vachhani (BS '10), Ramya Kishore (BS '08), Simon Spero (BS '09), and Rahul Mehta, (BS '08) participated in the Stern Undergraduate Torchbearers program.



Solving India's Anemia Problem

By **Anna Christensen**

Matt Edmundson (MBA '12) and Jenny Tsai (MBA '12) met in Stern's "social problem-based entrepreneurship" course in the spring of 2011. The students were assigned to devise a plan for a business that would tackle a serious social problem in India, and the pair decided to leverage their combined background in public and global health. "The class began with a two-week trip to India, which was an amazing adventure," said Jenny. "We talked to leaders within the health care space, and with each person we asked, 'If you could snap your fingers and change three things, what would they be?'" The answer they heard time and time again was "iron-deficiency anemia."

"The World Health Organization calls iron-deficiency anemia a silent epidemic, and it mostly affects pregnant women and their children," explained Matt. "It makes pregnant women more likely to die during childbirth, and it causes their children to have cognitive and motor skills development delays. One study indicated that if you solved the anemia problem in India, the GDP would rise six percent." Giving dimension to the problem, he added, "Of the 26 million pregnant women in India each year, over 50 percent are anemic."

"What is troubling to us is that the majority of these women have access to iron pills, which is the status quo solution," Matt said. "The problem is that they aren't taking them." This problem has persisted despite decades of government intervention. "It's clear that public health alone cannot solve the issue," Jenny observed. "I think there needs to be a marriage of public health and business in order to come up with solutions that are not only sound in terms of helping people on the ground, but also in terms of building sustainability into public health programs. Applying market research concepts to meet people's needs is one example of how business can add value in health care."

Matt and Jenny conducted their own market research and discovered that women are forgoing iron pills for a



Matt Edmundson (MBA '12) and Jenny Tsai (MBA '12) developed an iron-fortified food to address iron-deficiency anemia in India. (Right) Jenny Tsai in a lab at St. John's Research Institute in Bangalore, India.



number of cultural reasons, such as the belief that you

don't need pills if you're not sick, along with a reluctance to take something that their mothers didn't take during their own pregnancies. "We began to realize that perhaps the pill itself was the problem," Matt said.

Seeing an opportunity to address this issue, the two students decided to continue their project. They received funds through Stern's Social Impact Internship Fund (SIIF), which enabled them to return to India during the summer between their first and second years. "We worked closely with researchers and nutritionists at St. John's Research Institute in Bangalore to develop an iron-fortified food that is much more culturally appropriate than the iron pill," Matt said.

Having developed their prototype, Matt and Jenny launched their business, Violet Health, named in honor of starting their venture at NYU. They took first place in NYU Stern's Social Venture Competition in spring 2012, winning an award of \$50,000 to help launch the company, and are optimistic about the future. Violet Health is moving the product to clinical trials, which will take 12 to 18 months, and Matt and Jenny look forward to bringing their concept to market.

ALUMNI RELATIONS

HASKINS GIVING SOCIETY

Alumni News & Events



1.



Haskins Award Dinner

1. Peter Henry, Dean; Michael R. Bloomberg, Mayor of New York City; William R. Berkley (BS '66), Vice Chairman of the NYU Trustees and Chairman of the NYU Stern Board of Overseers; and Martin Lipton (LAW '55), Chairman of the NYU Trustees
2. Michael R. Bloomberg, Mayor of New York City and 2012 Haskins Award Recipient, addresses dinner attendees.
3. Stephen Ehrlich (MBA '56), Mary Ann Ehrlich, Bob Berliner (MBA '61), and Arlene Berliner
4. Joanna Betesh and Marc Betesh, NYU Stern Parents
5. Emmanuel Fordjour (MBA '03) and Michael Hanna (MBA '04)
6. Stewart Satter (MBA '82), NYU Stern Board of Overseers, and Susan Satter
7. Peter G. Petersen, 2011 Haskins Award Recipient; John Paulson (BS '78), NYU Trustees and NYU Stern Board of Overseers; and Martin Lipton (LAW '55), Chairman of the NYU Trustees
8. Alumni and friends enjoy dinner and welcoming remarks from Dean Peter Henry.



3.



2.



5.



6.



8.



9.



10.



11.

Haskins Cocktail Reception

9. Featured speaker Kenneth G. Langone (MBA '60), Vice Chairman of NYU Trustees, Vice Chairman of the NYU Stern Board of Overseers, and President and CEO of Invemed Associates, LLC (second from the right), enjoyed the evening with fellow alumni.
10. (from left to right) Jonathan Stern (MBA '69), Leah Rabinowitz (MBA '84), and Skip Auch (MBA '82)
11. (from left to right) Susan Greenbaum (BS '71, MBA '78), Associate Dean of the Undergraduate College; Elizabeth Greenbaum (MBA '08); and Christina Goldschmidt (MBA '08)
12. (from left to right) Kris Ann Brady (MBA '10), NYU Stern Alumni Council member; Peter Henry, Dean; and Todd Fellerman (MBA '09)
13. Alumni enjoyed Kenneth G. Langone's (MBA '60) remarks.



12.



13.

Show Us Your Stern Spirit!

Chris O'Connell (MBA '00), Senior Advisor, Cisco Systems Inc., former Chair of the NYU Stern Alumni Council, and his family show their school spirit while sailing in St. Thomas, US Virgin Islands.

Where have you taken your Stern pride? Send us a photo at alumni@stern.nyu.edu for a chance to be published in an upcoming issue of the alumni magazine.



Alumni Revel and Reconnect at Stern Reunion 2012



Stern Reunion 2012 Committee members (left to right) Santosh Satesh (BS '07), Yvonne Lee (BS '07), Lillian Bueno-Gatell (BS '07), and Albert Oeswadi (BS '07) gathered to plan their class's celebration.

On October 13, 2012, hundreds of Stern alumni gathered in New York City to celebrate their shared Stern heritage. In its second year, the quinquennial reunion tradition honored the classes of “2” and “7,” and provided an opportunity for reconnecting, reminiscing, and reveling with friends, fellow business leaders, and esteemed faculty. Alumni attendees and their guests spent the day on campus, learning from faculty greats, and catching up with classmates. The festivities continued with all 10 classes and 50 years of graduates enjoying a delightful evening of dinner and dancing at the Waldorf=Astoria.

The Annual NYU Stern Reunion tradition continues in October 2013!

At this festive gathering, Stern will honor alumni from the quinquennial reunion classes of 2008, 2003, 1998, 1993, 1988, 1983, 1978, 1973, 1968, 1963, and more.

For more information on how to join your Reunion Committee or to make a gift in honor of your class, visit the Reunion 2013 website at www.sternalumni.nyu.edu/reunion2013.

Celebrating the Gift of Education

On March 1, 2012, nearly 150 scholarship donors and recipients celebrated the generosity and accomplishments that brought them together for the inaugural NYU Stern Scholarship Reception. The event served as a meaningful opportunity to recognize the generosity of these donors, who have provided the gift of education to deserving and exceptional students, as well as a firsthand look at how their philanthropy has made a difference in the students' lives and education.

Highlights from the evening included a message from Geeta Menon, Dean of the Undergraduate College, followed by John Paulson (BS '78), and Harvey Beker (MBA '75), who delivered heartfelt remarks from the



Harvey Beker (MBA '75), NYU Stern Board of Overseers, Beker Family Scholarship; Julie A. Lucas, Former Associate Dean of Development & Alumni Relations; John A. Paulson (BS '78), NYU Trustees and NYU Stern Board of Overseers, John A. Paulson Scholarship; Swati Malik (MBA '12), Money Marketeters of NYU Scholarship Recipient; Julia Stotland (BS '12), Phi Epsilon Pi Scholarship Recipient; and Geeta Menon, Dean, Undergraduate College

perspective of scholarship benefactors. Guests also heard from two scholarship recipients, Swati Malik (MBA '12) and Julia Stotland (BS '12), who spoke eloquently about the powerful impact these awards have had in helping them reach their goals as future business leaders.

1900 Society

LEAVE A LASTING LEGACY AT YOUR ALMA MATER

The 1900 Society was established to recognize the many alumni and friends who have provided for NYU Stern's future by naming the School in their will.

Since its founding in 1900, Stern has engendered a spirit of collaboration unparalleled in business education, one that supports and encourages its youngest members – our students – to achieve and to become the next generation of leaders. Members of the 1900 Society enable Stern to continue its commitment to preparing some of the world's best and brightest students

for a future that, in our ever-changing business climate, will not resemble the past.

1900 Society members may designate their gift to a number of exciting initiatives, including scholarships, faculty chairs, centers, and the Stern Fund. Their generosity will be recognized in our annual Dean's Report.

If you have any questions, please contact Natalie Commons, Assistant Director of Development, at (212) 998-0436 or ncommons@stern.nyu.edu.

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.

1940s

Gerald Fisher (BS '40), of New York, NY, is retired and currently mentoring students from the graduate schools of business of NYU, Columbia University, and Fordham University. He was formerly President and CEO of Arch Bilt Container Corp. and Energy Recycling Corp.

Myron Gable (BS '47, Steinhardt '63, Steinhardt '70), of Sarasota, FL, co-authored a textbook, *Retail Buying Practices and Policies in a Global Economy*.

1950s

Gerald J. Glasser (BS '53, MBA '54, Steinhardt '57), of Westfield, NJ, has been named as a member of the Board of Governors of Union County College. He was a member of the NYU faculty for 39 years, attaining the rank of full Professor, in the field of business statistics.

1960s

Charles M. Hallinan (BS '62), of Boca Raton, FL, has joined the advisory board of TMM, Inc., a developer of digital video technologies. Hallinan is Founder and President of Hallinan Capital Corp., a Bala Cynwyd, Pennsylvania-based private investment company he started in 1978.

Neill J. Kelly (MBA '65), of Mount Vernon, NY, has been appointed as President of DJM Realty.

Roger O. Goldman (BS '66), of North Egremont, MA, has been named Director of Seacoast Banking Corporation of Florida.

Walter F. Raquet (BS '66), of Stamford, CT, has been appointed to the Board of Directors of Green Earth Technologies and will serve as an independent Director.

1970s

Peter Howley (MBA '70), of Petaluma, CA, Chairman of The Howley Management Group, co-wrote *TrendSetters: The World's Leading Experts Reveal Top Trends to Help You Achieve Health, Wealth & Success!*

Robert L. Rosen (MBA '71), of Greenwich, CT, has been elected to the Board of Directors of Sapient, a global services company. He will also serve on Sapient's audit committee.

John Walker (MBA '72), of Houston, TX, has been named as a member of the Board of Regents for the Texas Tech University System.

William J. Pesce (MBA '75), of Basking Ridge, NJ, has been named as a New Jersey Business Hall of Fame™ laureate. Pesce retired from John Wiley & Sons as President and CEO in 2011.

Kenneth B. Hoffman (Heights '73, MBA '76), of Teaneck, NJ, has joined the financial services company HighTower as Managing Director and Partner.

Steven E. Kober (BS '76, MBA '77), of Roslyn Heights, NY, has been appointed as CFO and Executive Vice President of Sony Corporation of America, the U.S. subsidiary of Sony Corporation. Kober has been with Sony since 1989 and was previously Senior Vice President, Finance.

Thomas Mann (MBA '76), of Wilton, CT, has been appointed to the Board of Directors of F-Squared Investments, an investment management firm.

William C. Denninger (MBA '77), of Stamford, CT, has been named Executive Vice President and CFO of Kaman Corporation.

Patricia Savoie (MBA '77), of New York, NY, has launched an online wine course, "Discovering the World of Wine,"

on The New York Times Knowledge Network website.

Raymond Dusch (BS '76, LAW '79), of East Setauket, NY, has joined Loeb & Loeb LLP as Senior Counsel in their Commercial Finance Practice Group.

1980s

Robert Blechman (Steinhardt '74, MBA '81, Steinhardt '78), of Forest Hills, NY, published *Executive Severance*, a fictional story about Twitter microblogging.

Robert Johnsen (MBA '81), of West Newton, MA, has been appointed CEO of Primus Green Energy, Inc.

Steven Tishman (MBA '81), of New York, NY, has joined Houlihan Lokey, an international investment bank, as Global Head of the Mergers & Acquisitions Group.

Jorge Lopez (BS '82), of Miami, FL, has been named Co-Chair of the Immigration and Global Migration Practice Group of Littler Mendelson PC.

Cristina Schwartz (BS '82), of Guttenberg, NJ, has been named Vice President of Programming and Production for Univision Cable Networks.

Patrick J. McNelis (BS '83, MBA '86), of Colts Neck, NJ, has been appointed Managing Director and Director of Sales, Marketing & Client Service at Seix Investment Advisors LLC.

Hortensia Sampedro Hacker (MBA '83), of Key Biscayne, FL, has been promoted to the role of CMO for the public accounting firm Morrison, Brown, Argiz & Farra.

James I. Warren (MS '83, LAW '75), of Bethesda, MD, has been appointed as a member of the Tax Department at Miller & Chevalier.

Dr. Keith Markey (MBA '84), of Belle Mead, NJ, has joined the Board of Directors of Divine Skin Inc., a developer and formulator of personal care products.

Charles J. Neral (MBA '84), of Fallston, MD, has been appointed CFO of SunGard, a software and technology services company.

Patrick R. McDonald (MBA '85), of Denver, CO, has been appointed to serve as interim CEO of Forest Oil Corporation.

Robert Brennan (MBA '86), of Chappaqua, NY, has been appointed as a member of the Board of Trustees for the University of Vermont.

Zach Mayo (MBA '86), of East Hills, NY, has been appointed as Citibank's new Market President for Long Island.

William P. Donohue, Jr., (MBA '88), of Wilton, CT, has been appointed as Junior Managing Director and Head of Asset Management for Grosvenor Fund Management.

Osbert Hood (MBA '88), of Boston, MA, has been appointed as COO of MacKay Shields, an international institutional asset manager.

Sandie O'Connor (BS '88), of Greenwich, CT, the Head of Prime Services at JP Morgan Chase & Co., has been appointed as the company's new Treasurer.

Margaret Smyth (MS '88), of West Hartford, CT, has been appointed as a member of the Board of Directors of Martha Stewart Living Omnimedia, Inc. In addition, she currently serves as a member of the IFRS Interpretations Committee, IASB in London.

Dan Karas (MBA '89), of Southlake, TX, has been named EVP, Asset Based

Lending for Triumph Commercial Finance, a wholly owned subsidiary of Triumph Savings Bank, SSB.

Marie Mascherin (MBA '89), of Mercerville, NJ, has been named Chief Lending Officer at New Jersey Community Capital.

Angela Smith Domzal (MBA '89), of Chappaqua, NY, has joined BNY Mellon as Sales Director.

1990s

Lauren Cross (MBA '90), of Manchester, CT, has been named Director of Human Resources and Administration for the Fairfield County Community Foundation in Norwalk, CT.

Patrick A. Keleher (MBA '90), of Fairfield, CT, married Lynnley Elizabeth Browning on Saturday, June 23, 2012, at the First Church Congregational in Fairfield, CT. Keleher is a Managing Director at ABN Amro.

Harry Ahn (MBA '91), of Rivervale, NJ, has joined McCarter & English LLP as a Partner. Ahn maintains a practice in all fields of intellectual property law, with an emphasis on patent prosecution, litigation, counseling, and licensing.

Jamie Davis (MBA '91), of Glencoe, IL, has joined Fanatics, Inc., as President.

Christopher Holland (MBA '91), of Princeton, NJ, has been named Senior Vice President and CFO of C.R. Bard, Inc.

Elliott Kugel (MBA '91), of Skillman, NJ, was named by *Barron's* magazine as one of the "Top 1,000 Advisors in America," and he was also ranked #18 in the state of New Jersey. Kugel is a Senior Vice President of Investments at Merrill Lynch in Bridgewater, NJ.

Inder M. Singh (MBA '91), of Los Altos, CA, has been appointed as Senior Vice President of Finance and Strategic Planning of Comcast Cable.

Strategic Outlook

There are people who allow happenstance to determine their careers and lives, and there are those who take a more strategic approach. Alla Liberman is one of the latter. As a senior at a Brooklyn high school, Liberman began to chart the path she would take. Having moved from Kiev, Ukraine, to the US two years prior, Liberman felt strongly about staying in New York City and studying business. Through word of mouth, she heard that Stern was "the best school in New York for finance," and she decided to apply. Confident in her choice, Liberman recognized the unique opportunity that Stern affords: as a student, she would be able to immerse herself in business studies while simultaneously gaining Wall Street work experience through Stern's industry connections and prime location.



Alla Liberman (BS '97)

Determined to gain the most from her Stern experience, Liberman took a full course load and worked part time. She worked in the accounting department of a law firm and then as a bank teller, before joining JP Morgan's tax department. Liberman interned with JP Morgan during the summer before her senior year, where she had the chance to work on a trading desk. Through that experience she found her next goal, and she proceeded to pursue it with her typical diligence.

After graduating as valedictorian, Liberman entered JP Morgan's training program. Upon completing the training program, she joined the proprietary trading desk as an analyst. Liberman worked her way up to Managing Director, where she ran the very same team she had joined as an analyst. In 2009, she left for a new opportunity to run the fixed income proprietary trading desk at the Royal Bank of Canada. For Liberman, proprietary trading has been a perfect match for her skills and personality, as it allows her to be "completely independent in decision-making." She elaborated: "Proprietary trading is more proactive; I only trade when I want to trade, as compared to other types of trading, which are more reactive."

"Because Stern is so international, I worked with many different people on many different group projects. I was able to learn how people interact in different parts of the world. As a result, it was very natural for me to deal with people once I started working full time." It was while working with a diverse team on one of those group projects, in fact, that Liberman became friends with another student, Stan Liberman, who also hailed from the former Soviet Union. They married after graduating from Stern.

Fifteen years after graduation, Liberman and her husband are happily raising a family. Achieving a work-life balance isn't always easy, but Liberman notes that it doesn't hurt that her husband is a trader as well. "We understand one another's work, which is a huge benefit," she said. "He truly understands what a good or bad day means."

Ted Truscott (EMBA '91), of Marblehead, MA, CEO, US Asset Management & President, Annuities at Ameriprise Financial, served as the 2012 NYU Stern Executive MBA graduation speaker.

Monica Barrow (MBA '92), of Westfield, NJ, has joined the Parsons Corp. as Planning Director of its Rail and Transit Systems Divisions northeast planning group.

Arun Chanana (MBA '92), of Verona,

NJ, has been appointed Senior Vice President, Distribution and Agency Management of Fireman's Fund Insurance Company.

Michael Justin Lee (MBA '92), of Clifton, VA, published *The Chinese Way to*

Focusing on the Big Picture

Anita Volz Wien's Stern experience can only be characterized as atypical: her MBA education spanned three decades. Wien first started the graduate business program in the late 1960s after working at Lehman Brothers in Paris. She knew that Stern, then the Graduate School of Business, was the best fit, especially given the proximity to her job on Wall Street at a money management firm. When traveling for work interfered with her academic pursuits, Wien put her studies on hold until the late 1970s, ultimately earning her MBA degree from Stern in 1982. Such determination and persistence have helped Wien succeed throughout her careers in finance and economic and political consulting.

As an undergraduate history major at Smith College, Wien quite logically thought that "the supplement of a business degree would be helpful in pursuing a career in finance." In addition to supporting her professional ambitions, Wien also believed an MBA would serve a second purpose: "As a woman, having a graduate degree at that particular time was important," she said.

After 20 years in investments and banking, Wien transitioned into political and economic research and consulting in 1988 by joining Oxford Analytica, a geopolitical consulting firm, as Senior Vice President. The move proved to be an important turning point, as it enabled her to combine her strong background in finance with her passion for international affairs. In 1993, Wien was attracted to the idea of working in an entrepreneurial environment, explaining that, after her experiences with a number of large organizations, "I felt it was time to roll up my sleeves and join a small firm." To that end, she joined a start-up, G7 Group, which advised clients on macroeconomic and political developments that affect financial markets.

After she and her partners sold G7 Group, Wien stayed on for three years before leaving to become one of the founders of Observatory Group LLC, a macro advisory firm that closely monitors monetary, fiscal, and legislative policies impacting global markets. As Vice Chairman of Observatory Group, Wien is involved in developing and maintaining client relationships, as well as reaching out to policymakers. Recently, she decided to take a step back from this role in an effort to focus on another passion: philanthropy. She is actively involved in a number of organizations and nonprofits, including Prep for Prep, an organization that paves the way for highly motivated minority students to enter private schools, and the Council on Foreign Relations, where she is a member of the Board of Advisors of Foreign Affairs.

When considering the biggest challenges in her career and her advice for future generations of Stern graduates, Wien emphasized the importance of always seeking new challenges, whether within your current organization or by changing jobs. "The biggest challenge comes when you've decided you want to move on from a place and have to figure out the next step," she observed. "Sometimes it takes you two tries to really go in the direction that you want."



Anita Volz Wien (MBA '82)

Wealth and Prosperity, which discusses strategies for achieving financial success.

Cathy O'Connor (MBA '92), of Victor, ID, has been named Senior Vice President of Program Management at CityPASS, which packages attractions for North American travel destinations.

Nelson P. Ornelas (BS '92), of New York, NY, has been named Vice President, Commercial Relationship Manager in Commercial Lending for TD Bank.

Glenn Weber (WSC '86, MBA '92), of Sea Cliff, NY, has been appointed Chief Executive of Southport Lane's reinsurance holding company Southport Re and Executive Vice President of Southport Lane.

William C. Green (MBA '93), of Charlotte, NC, has been appointed to the Board of Directors of Arbor Realty Trust, Inc.

Michael Johnston (WAG '86, MBA '93), of Wilton, CT, has been named as the President and CEO of The Jewish Community Foundation of Greater Hartford.

Peter Massey (MBA '93), of Westport, CT, has been named President and COO of [x+1], a digital marketing hub provider.

Jill Schiaparelli (MBA '93), of Mason, OH, has been named Senior Vice President of Business Strategy and Marketing of AxoGen, Inc., a regenerative medicine company focused on the commercialization of proprietary products and technologies for peripheral nerve reconstruction and regeneration.

Garey M. Fuqua (BS '94), of Jamaica Estates, NY, has joined Spring Mountain Capital as Managing Director and Group Head of the newly-formed High Yield and Distressed Municipal Strategies Group.

Andrej Suskavcevic (MBA '94), of Flemington, NJ, has been appointed as

President and CEO of The Craft & Hobby Association.

Wendy Li (MBA '95), of Chappaqua, NY, has been named Senior Vice President and Senior Relationship Manager at City National Bank.

Rami Branitzky (MBA '96), of San Jose, CA, has been appointed CEO of Numenta, Inc.

Adam Fingerman (MBA '96), of Menlo Park, CA, is the Co-Founder and President of AppGlu, a start-up that develops cloud services for smartphone and tablet applications.

Nick Katsanos (BS '96, LAW '99), of Ho Ho Kus, NJ, Counsel in the Business Transactions Group at Seward & Kissel LLP, was a recipient of The M&A Advisor's 3rd Annual "40 UNDER 40 M&A Advisor Recognition Awards - Eastern Region."

Joseph P. Landy (MBA '96), of Bronxville, NY, has been elected to the Board of Directors of Kosmos Energy. Landy is Co-President of Warburg Pincus and has been with the firm since 1985.

Ragui N. Selwanes (BS '96, MBA '06), of Forest Hills, NY, has been named CMO of WhiteGlove Health, Inc.

Michael McGrath (MBA '97), of Mendham, NJ, has joined Perella Weinberg Partners as a Partner in its Asset Management business.

Jordan Schlachter (MBA '97), of New York, NY, has been named Executive Vice President of The Marketing Arm's sports marketing and sponsorship consulting practice, a new position at the company.

Emre Mimaroglu (MBA '98), of Istanbul, Turkey, has joined UBS AG to serve in a dual role in investment banking and wealth management in Turkey.

Haralampos Prassakos (BS '98), of Wayne, NJ, has been appointed as Vice

A Steady Hand



Henry Herrmann (BS '66)

As immigrants from Germany, Hank Herrmann's parents instilled in him an appreciation for the virtues of hard work. Upon graduating from high school, Herrmann took their guidance to heart and worked two jobs in hopes of financing his dream of going to college. One year after high school graduation, he was presented with an unusual opportunity to accompany a friend to an NYU admissions interview. Herrmann recognized the significance of the opportunity. He met with the admissions officer and was offered a spot at Stern, then known as the School of Commerce.

While at Stern, Herrmann married and had two children. With his responsibilities growing, he continued his studies at night and found a job in the trust department of Chase Manhattan Bank. Faced with the challenges of being a student, husband, and father, Herrmann employed his strong work ethic, coupled with his business studies, to begin creating a formidable career. He rose rapidly at the bank and, after a few years at Chase, seized another opportunity, to work in equity research on Wall Street, where he specialized in high-technology stocks.

With the confidence gained from his work experience and Stern education, Herrmann decided to seek out new frontiers, and in 1971 he landed a job in Kansas City with Waddell & Reed Financial Inc. as a Senior Investment Analyst. Herrmann has spent the past 41 years steadily rising through the company's ranks. From 1976 until 1987, he was the Portfolio Manager of Waddell & Reed Advisors Vanguard Fund. In 1987, he was named President and Chief Investment Officer at Waddell, and then of Ivy Investment Management Co. upon its formation in 2003. He became President of Waddell & Reed Financial in 1998, CEO in 2005, and Chairman of the Board in January 2010.

In addition to his education, which he described as "tremendous," Herrmann believes his successful career is the product of hard work and consistently rising to the challenge as he took on increasing responsibility. An industry veteran of more than 40 years, he has weathered his fair share of financial storms, for which he credits his resilience and focus. In his line of business it is also essential to remember one's responsibility for other people's money, for which he advises: "Do your very best with that responsibility. To be successful, I had to help other people be successful."

President, Senior Portfolio Manager at Sun National Bank.

Daniel Seiner (MBA '98), of Miami Beach, FL, has been named CEO of Torrecor Partners, LLC.

Daniel Cohen (MBA '99), of New York, NY, married Jill A. Drossman on January 8, 2012, at the Lighthouse at Chelsea Piers in New York. Cohen is a mortgage officer at the Community Preservation Corporation, a nonprofit organization in New York that provides financing for developers and owners.

Michele Dragonetti (MBA '99), of New York, NY, has joined TD Bank as Executive Director in Corporate Banking in New York City.

Donald Morrissey (MBA '99), of Newtown, CT, has been promoted to Executive Vice President, CFO of Aquarion Water Company.

Bob Pascal (MBA '99), of Darien, CT, was a recipient of the top "Forty Under 40" Award from *SportsBusiness Journal*. Pascal is the Chief Marketing Officer for

Centerplate, a provider of hospitality services to sports, convention centers, and entertainment venues.

Jaideep Punjabi (BS '99), of New York, NY, produced "PATANG" (The Kite), a feature film.

2000s

David Bassuk (MBA '00), of Livingston, NJ, has been appointed as the Co-President and Chief Operating Officer of Juicy Couture.

Andrew Buzin (BS '00), of New York, NY, has formed Buzin Law, P.C., a litigation and trial law firm.

Dr. Sumit Dutta (MBA '01), of New York, NY, has joined SXC as Chief Medical Officer.

Matthew Fair (MBA '01), of Westport, CT, has been appointed to the Brokers, Agents & Navigators Advisory Committee of the Connecticut Health Insurance Exchange. Fair is the Regional Sales Director for Pierson & Smith, a subsidiary of First Niagara Risk Management.

Thomas Fogarty (MBA '01), of New York, NY, co-authored *Investing in the Renewable Power Market* with Robert Lamb, Adjunct Professor of Management and Organizations, NYU Stern. The book focuses on the current challenges of the green energy market.

Colin Gillis (MBA '01), of New York, NY, was named as one of *Financial Times* "Top Financial Analysts 2012." Gillis is a Senior Technology Analyst and Director of Research at BGC Financial.

Kandace K. Heck (MBA '01), of Chicago, IL, has been named General Auditor of Northern Trust.

Jodie Kahn (MBA '01), of New York, NY, has joined Proxicim as Vice President of Client Services.

Helen Lee (BS '01), of New York, NY, has been named as a new member of the Board of Trustees of Queens Botanical Garden. Lee is a Director of ONEX Real Estate, a real estate private equity fund and developer of Sky View Parc in Flushing.

Dr. Tuan M. Pham (MBA '01), of Hanoi, Vietnam, was recognized as one of World Economic Forum's Young Global Leaders for 2012. He is the Chairman of TOPICA Education Group.

Peter Yoon (MBA '01), of Jersey City, NJ, has joined Berkery Noyes, an independent investment bank, as Managing Director in the Education Group.

Lifelong Learner

Even after 24 years in the investment management business, all with T. Rowe Price, Ed Bernard continues to learn something new every day. "One of the great things about this business is that there's so much richness and complexity," Bernard explained. "I'm quite confident that I'll learn something the day I retire that I didn't know the day before."

Bernard's enthusiasm for acquiring knowledge and experience was evident early on. He graduated from college with a focus on religious and Asian studies but decided to forgo graduate studies in Chinese to pursue an opportunity that would allow him to actively engage in contemporary Chinese culture. He joined a small consulting firm that helped US companies develop business in mainland China, where he represented the interests of companies that wanted to manufacture in and sell to China.

While working at the consulting firm, Bernard wanted to continue challenging himself intellectually. Seeking an education that would complement his experiential learning at work, Bernard selected Stern's part-time MBA program for its "strong evening program." Over the ensuing four years, he maintained an impressive schedule that included classes, married life, work, and frequent business travel to China. Bernard decided to concentrate on international finance because of the relevance to his work. "There were many overlaps with the combination of working and studying, which provided different lenses and perspectives," Bernard said. He was also impressed by Stern's incorporation of adjunct faculty, who provided "real-time knowledge that linked with the academic concepts in the classroom."

Ultimately, Bernard used his MBA as a launching pad to change careers. Through his core classes, he became interested in marketing. He left his consulting job to work for a direct marketing company, which put him on a marketing and general management trajectory. About five years later, in need of a marketer and impressed by Bernard's strong direct response marketing background, T. Rowe Price came knocking. Bernard joined as Vice President in 1989 and was promoted to Director in 1999. Over the years, Bernard took on more responsibilities. "If you effectively manage what's on your plate, more things show up," he said. Since 2007, Bernard has served as Vice Chairman, overseeing non-investment activities at the firm, which include distribution, client services, technology, and communications.

Bernard views his Stern experience as an important factor in his success at T. Rowe Price. As Vice Chairman, a broad role that extends across the firm, he considers it critical to not just draw on but to augment his arsenal of business knowledge – an environment he thrives in. "The breadth of the tools that I got at Stern set me on a path to be a lifelong learner. It gave me the tools to go to an investment management firm and learn how to become one of its leaders," he explained. "It's energizing to know you're always learning new things."



Edward Bernard (MBA '82)

John Boris (MBA '02), of Piedmont, CA, has been appointed as Senior Vice President and CMO of Shutterfly, Inc.

D. Dmitry Krasnik (MBA '02), of Chicago, IL, has joined the health care investment banking group for Houlihan Lokey, the international investment bank, where he will lead its health care IT and technology enabled services franchise.

John Lambrech (MBA '02), of Redding, CT, has joined W Capital Partners as Chief Financial Officer.

Teresa Black (MBA '03), of New York, NY, has been appointed Senior Vice President, Distribution Management of ACE USA, the US-based retail operating division of the ACE Group.

Jeffrey Gower (BS '03), of New York, NY, married Dr. Sylvia Anna Mohen on Saturday, January 14, 2012, at the Carimar Beach Club in Meads Bay, Anguilla. Gower is an Associate and a Controller for a brokerage unit at Goldman Sachs.

Eliyahu Groner (MBA '03), of Elazar, Israel, has been appointed by the Israeli cabinet as Israel's Minister for Economic Affairs to the United States.

Alice Popescu (BS '03), of Toronto, ON, has joined Westwood Holdings Group, Inc., as a leader of the management of new strategies for a newly established affiliate, Westwood International Advisors Inc., which will be based in Toronto.

Marina Mekhlis (BS '04), of New York, NY, was selected as one of the "2012 Rising Stars of Hedge Funds" by *Institutional Investor* magazine.

Frederick Schlosser (MS '04), of Stamford, CT, has been appointed as a Director of Forum National Investments Ltd.

Jon Ansari (MBA '05), of Pennington, NJ, has been appointed Executive Vice President and CFO of Magyar Bank.

Crandall Deery (MBA '05), of Darien, CT, has been appointed Vice President of Full Circle Advisors, LLC.

Christine Flaherty (MBA '05), of Freeport, NY, has been promoted to Vice President of STV, a leading engineering, architectural, and construction management firm. She will continue in her role as Director of Business Development for STV's Construction Management Division.

Theresa A. Harrison (MBA '06), of McLean, VA, has joined DLA Piper as Pro Bono Project Manager.

Charles S. Patrick III (MBA '07), of New York, NY, married René Lumley-Hall at the Princeton Club of New York on May 21, 2011.

Anand Sharma (BS '07), of New York, NY, has joined Pine River Capital as a trader.

Amy Walser (MBA '08), of Brooklyn, NY, has been named COO of Whizz Education.

Margaret Faucher (MBA '09), of Stamford, CT, has been appointed as a leader of the New Orleans and Stamford maritime practices at Flagship Management, LLC, a maritime industry consulting firm for personnel and executive recruiting.

Dan Moss (MBA '09), of Calabasas, CA, has joined Avante Mezzanine Partners as a Senior Associate.

Andrew Diaz (BS '10), of New York, NY, has been named as a finalist in the 2012 Ira Sohn Conference and Investment Idea Competition, where participants pitch their investment ideas.

David Martin (MBA '10), of New York, NY, has been named Vice President of Business Development and Research for The Society of Corporate Secretaries and Governance Professionals.

Dr. Joseph Stauffer (MBA '10), of Skillman, NJ, has been appointed as Chief Medical Officer of Ikaria, Inc., a critical care company focused on developing and commercializing therapies for critically ill patients.

Kevin Benecchi (MBA '11), of New York, NY, married Stephanie Ann Katsigiannis on April 29, 2012, at the Hyatt Regency in Clearwater Beach, FL. Benecchi works in New York as a Management Trainee in American Express's global treasury division.

Seth J. Goldman (MBA '11), of New York, NY, married Jennifer Eden Hersh on

June 9, 2012, in the Powerhouse event space at the American Museum of Natural History. Goldman is a Manager of Operations in Jersey City at Quidsi, a subsidiary of Amazon.com that specializes in consumer products.

Mariel Fiori (MBA '12), of Kingston, NY, has been named as one of the Hispanic Coalition NY, Inc.'s 2012 "40 Under 40 Rising Stars." She is the founding Editor and Managing Director of *La Voz*, an independent monthly Spanish-language magazine.

Sara Shaw Nommensen (BS '12), of Lake Forest, IL, has joined Accenture in their Management Development Program in New York City.

Charles Snyder (MBA '12), of Stamford, CT, has joined the acquisitions and development team at New Castle Hotels & Resorts, where he will perform the underwriting and feasibility evaluations for New Castle's planned expansion.

Jennifer Yang (MBA '12), of Hillsdale, NJ, has joined The Navigators Group as Chief Risk Officer. Yang will be responsible for oversight of enterprise risk management on a global basis at the New York-based international specialty insurance holding company.

In Memoriam

I. Stanley Kriegel (BS '29)
Saul S. Silverman (BS '38, LAW '41)
Julius E. Bacci (BS '46)
Marion Sandler (MBA '58)
Richard Ronston (BS '59, MBA '62)
John H. Stewart (MBA '59)

Steven A. Greenberg (BS '64)
Jeffrey M. Haitkin (BS '68)
Carl Billeter (MBA '78)
George A. Fontanills (BS '82)
Lex Allen Passman (MBA '90)
Kevin Nelson (TRIUM MBA '06)



Frederick D.S. Choi
Dean Emeritus of the Undergraduate College (1995-2004)
He joined NYU Stern in 1981 and chaired the accounting department from 2006-2010.



A Man for All Seasons

Into his 10th decade, the astounding Will Baumol is still going strong

By Marilyn Harris

Ask most 90-year-olds about the Affordable Care Act, and chances are you wouldn't get more than cursory recognition. Ask nonagenarian William Baumol, and you'd get a book, his most recent: *The Cost Disease: Why Computers Get Cheaper and Healthcare Doesn't*

(Yale University Press, 2012), written with David de Ferranti of the Results for Development Institute, Monte Malach of NYU School of Medicine, USAID's Ariel Pablos-Méndez, The Rockefeller Foundation's Hilary Tabish, and IBM's Lilian Gomory Wu.

With the costs of the US health care system rethought, Baumol, the Harold Price Professor of Entrepreneurship and academic director of the Berkley Center for Entrepreneurship and Innovation, isn't letting any moss grow under him. He's currently doing research on ancient Chinese history, with its implications for innovation and economic growth, leading two universities to name their centers of



with what went on under the Tang and Song dynasties between the 9th and 12th centuries," he explained. "Back then, there was an astonishing outpouring of inventions, but the emperor discouraged entrepreneurship. Today, the opposite is true, and living standards are rising."

When it comes to entrepreneurship, Baumol wrote the book, literally and figuratively. Though he might protest such a characterization, *The Economist* credited him with persuading fellow economists to make "a bit more room for entrepreneurs in their theories." His most recent tome on the subject, *The Microtheory of Innovative Entrepreneurship*, was published in July 2010 by Princeton University Press.

entrepreneurship after him. "What's happening in China now with entrepreneurship and innovation is almost a test case of the benefits of entrepreneurial activity when you compare it

Innovation and progress

In that book he focuses on a distinction between replicative and innovative entrepreneurship. The person who opens a shoe store falls into the former category, while Silicon Valley and Silicon Alley startups exemplify the latter. Both types have their place, Baumol explained. "You need replicative entrepreneurship to provide jobs during recessions and for immigrants," he said, "but for long-term growth and making progress toward ending world poverty, you need innovative entrepreneurship, because that's what enables you to produce more food and clothing, for instance, with less labor."

While he published his first of more than 40 books in 1951, before he was 30, Baumol, along with collaborator William Bowen, achieved his first real celebrity in his field a decade later, for describing a phenomenon he called the "cost disease." He described how salaries in jobs that have experienced no increase in labor productivity (e.g., string quartets) still tend to rise, in response to rising salaries in other jobs that did experience growth in labor productivity (e.g., automat-



Professor William Baumol (left) signed copies of his recent book on entrepreneurship at a Stern reception. He is also an artist whose brightly colored works in various media (below) adorn some of his book covers.

ed assembly lines).

His latest book looks at health care through the cost-disease lens. Over the years, the professor has come to put this economic phenomenon into perspective.

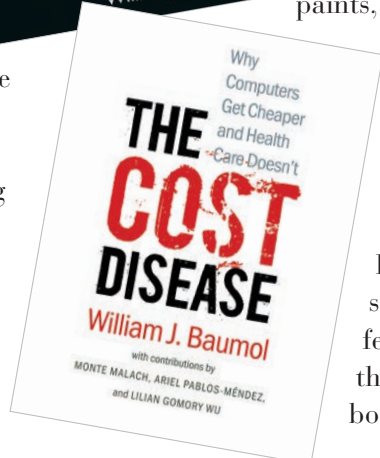
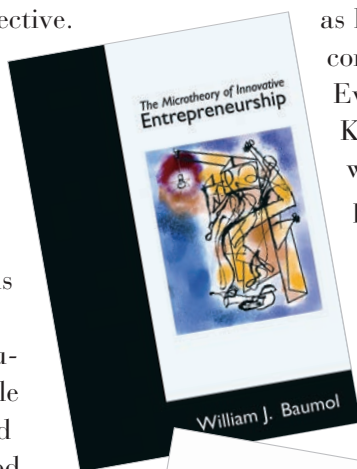
"There is no cure for cost disease, but if handled properly by governments we can live with it," he said. "Whether the issue is the rising cost of health care or of education, if more people are getting PhDs and more are getting good health care, then we can live longer and grow more prosperous overall. Costs are going up, but we are getting richer alongside that – and growing increasingly capable of affording health care and education for all, despite their rising prices."

Renaissance man

When he's not writing and researching, or organizing and moderating conferences on entrepreneurship – as he did in April in conjunction with the

Ewing Marion Kauffman Foundation, where he is adviser to the president – Baumol can be found creating art, a lifelong passion. With Picasso, Miro, and Kandinsky his chief influences, he sculpts, paints, and lately cre-

ates abstract, brightly hued computer art and uploads it directly to the Internet – occasionally also featuring it on the covers of his books.



Baumol attributed his continuing astounding productivity to Stern's encouraging atmosphere for research. "At this point, I do it as much for pleasure as anything," he said. And though as a practitioner of the dismal science he is loathe to make predictions, particularly rosy ones, he is ever so cautiously optimistic about the prospects for humanity: "We have the wherewithal today for a better future, with less poverty, better health, and more freedom – but it isn't guaranteed." ■

MARILYN HARRIS is editor of STERNbusiness.

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January 10-11, 2013

NYU Stern India Business Forum
Mumbai, India



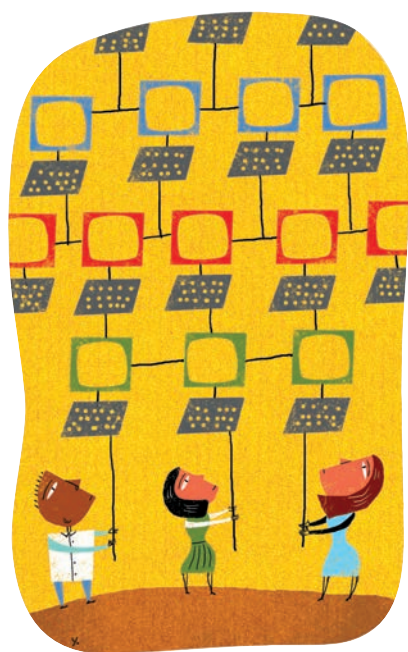
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