

SPRING / SUMMER 2012

the Alumni Magazine of NYU Stern

# STERN *business*

## IN IT TO WIN IT

ALUMNI  
SCORING BIG  
IN SPORTS



Competition, Rivalry & the XXX Olympiad ■ Larry Ritter's Home Runs in Finance & Baseball  
■ Michael Spence on the Global Jobs Picture ■ Cathy Minehan Leads Simmons SOM ■ Tips for CFOs



## a letter from the

# dean

This year, we challenged our incoming MBA students to consider the great problems facing the world and to raise their ambitions about their potential for impact. In turn, we promised to deliver an educational experience that empowers them through an environment we describe as An Education in **Possible**. Simply put, this phrase symbolizes our relentless pursuit of unparalleled excellence.

As Olympic athletes begin to convene in London from all over the world, I am struck by what wonderful examples they are of the uncompromising pursuit of achievement. Shortly we will all witness individuals who push beyond perceived limits – on a world stage – redefining what is possible in their sport.

In fact, sports are a valuable framework for teaching business – and life – lessons: teamwork, leadership, decisiveness, and courage, to name a few. You may not realize that NYU Stern boasts a number of alumni who are leaders in the sports industry. In this issue, we interview 11, all in different arenas, each of whom followed a different path to the top. I think you'll find it interesting reading (page 6).

Our faculty are also drawing ideas and insights from sports. In this issue, we showcase Amitav Chakravarti's investigation of the screening effect in Olympic venue selection, and Gavin Kilduff's exploration of the roots of rivalry (page 22).

Our back page features Larry Ritter, the author of what's been called the best baseball book ever written. We know him as the father of the Stern finance department (page 40).

As for mental gymnastics, your School is bringing home gold. Last fall, the School celebrated when Tom Sargent, the William R. Berkley Professor of Economics and Business, won the 2011 Nobel Prize in Economic Sciences. With this honor, Tom joins our two other Nobel laureates in economics, Robert Engle and Michael Spence. All three are active faculty members, making for one deep bench.

Mike Spence is featured in this issue, starting on page 12, as he engages in a dialogue with *The Economist's* Matthew Bishop about global trends and policies in employment.

Cathy Minehan (MBA '77) is yet another example of proving what's possible, both in her own career and in the field of graduate business education. After nearly 40 years with the Federal Reserve System, she is launching a second career as dean of the sole women-only MBA program in the US, at Simmons College School of Management (page 5).

In the "news you can use" department, take a look at Baruch Lev's extensively researched top 10 tips for CFOs (page 18).

In closing, I wish to thank each and every one of you for making a Stern education not only possible for others, but excellent at every level. Your continuing 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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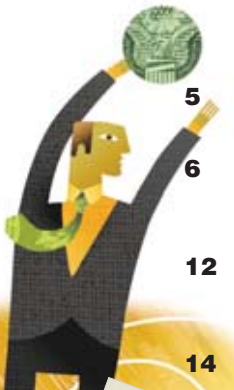
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*President, New York University*  
**John E. Sexton**

*Dean, NYU Stern School of Business*  
**Peter Henry**

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*Chief Marketing Officer*  
**Beth Murray**

*Associate Dean, Marketing and External Relations*  
**Joanne Hvala**

*Editor, STERNbusiness*  
**Marilyn Harris**

*Managing Editors, STERNbusiness*  
**Rika Nazem and Carolyn Ritter**

*Contributing Writers*  
**Randy Cohen, Katherine O'Malley, and Angela Parks**

*Illustrations*  
**Michael Caswell, Ron Chan, Bryan Leister, and Christophe Vorlet**

*Design*  
**Anne Sliwinski**

*Letters to the Editor may be sent to:*  
NYU Stern School of Business  
Office of Public Affairs  
44 West Fourth Street, Suite 10-160  
New York, NY 10012  
[www.stern.nyu.edu/sternbusiness](http://www.stern.nyu.edu/sternbusiness)  
[sternbiz@stern.nyu.edu](mailto:sternbiz@stern.nyu.edu)

## MARQUEE NAMES VISIT CAMPUS TO TALK TECH, MEDIA, AND INFORMATION NETWORKS



Google's Eric Schmidt (left) discussed today's technology race with CNBC's Maria Bartiromo (right).



**Eric Schmidt**, executive chairman of Google, and NYU Trustee and alumna **Maria Bartiromo** (WSC '89), anchor at CNBC, drew a crowd of 400 faculty, students, and administrators from across NYU in

mid-December. Schmidt answered questions about the landscape of today's technology race, how technology is evolving, and Google's secrets of success. He also touched on issues related to privacy and patents, Google's IPO, China's struggles with censorship, and what the next Facebook may be. As to Google's successful formula, he credited its 80/20 model, which allows employees to spend 80 percent of their time on core projects and 20 percent on innovation activities. Looking



Professors Sinan Aral (top right) and Vasant Dhar (bottom) listened to experts who gathered for the third annual Workshop on Information Networks Summit.

ahead, Schmidt hinted that medical diagnostics via mobile devices will be a bright spot. Reflecting on his own career path, he argued that most successes are the result of teamwork and that people should surround themselves with co-workers who are fun, driven, "impactful," and smarter than they are.



Professors Scott Galloway (left) and Paul Romer (top) spoke to a sold-out audience at the third annual Innovation Forum.



The third annual Workshop on Information Networks (WIN) Summit brought researchers to Stern in early fall. The summit was organized by Stern Information, Operations, and Management Sciences Professors **Sinan Aral**, **Arun Sundararajan**, and **Foster Provost**. WIN provides a forum for experts from various fields, including computer science, economics, physics, and sociology, to network and explore the distribution, diffusion, value, and influence of information in networks. Executives and

professors from Facebook, Microsoft Research, Yahoo! Research, Cambridge University, MIT Sloan, Harvard Medical School, and the US Military Academy discussed issues related to social knowledge networks.

NYU Stern and L2, a digital think tank, held the third annual Innovation Forum in New York City in November. Industry and academic speakers at the forum presented to a sold-out audience on topics that included digital marketing, urban development, and new ideas for brands to develop. Economics Professor **Paul Romer**, leader of the School's Urbanization Project, explained how "The Future belongs to the City." Stern Marketing Professor and L2 Founder **Scott Galloway** spoke about how to live to be 100 and led discussions throughout the day.

**... while the world's movers and shakers spoke of the economy, both US and global ...**



The Hon. John Snow (top, left), former US Treasury Secretary, discussed the economy with Martin Lipton (top, right), chairman of NYU Board of Trustees. Snow, Dean Peter Henry, and Lipton (above)

The Hon. **John Snow**, who served as the 73rd US Treasury Secretary from 2003 to 2006, sat down with **Martin Lipton**, chairman of NYU's Board of Trustees, for a frank discussion in early November, before an audience of 150 students, faculty, alumni, and mem-



bers of the community. Snow referred to the current state of the economy as "the great adjustment," explaining that monetary policy is "out of bullets" because interest rates can't get any lower. He added that fiscal policy is not an option for policy makers right now in light of the country's recent credit downgrade and that today's economic malaise could last as long as 10 years. As for global concerns, Snow stressed the importance of maintaining good economic relations with China and said that the US's inability to take action is a bigger threat to the US than China. Regarding the European Union, he noted that the euro was intended to encourage fiscal convergence there, but instead has led to divergence. He urged the EU to look to Alexander Hamilton for clues on saving the union and the currency.

The NYU Stern Center for Global Economy and Business, led by Professor **Kermit Schoenholtz**, hosted **Duvvuri Subbarao**, governor of the Reserve Bank of India, in late September. Subbarao discussed India's economic opportunities and challenges, noting that



Duvvuri Subbarao, governor of the Reserve Bank of India, discussed India's economic opportunities and challenges.

inflation between 4 percent and 6 percent is the short-term comfort range, down from the current 9 percent. He said that monetary policy is becoming the only line of defense and



Professors Paul Wachtel (left) and Kermit Schoenholtz (right), director of Stern's Center for Global Economy and Business, greet Duvvuri Subbarao (center), governor of the Reserve Bank of India.

that central banks have no textbook solutions. He also stated that communicating guidance is as important as the guidance itself, citing the US Fed as a good example. Central bank policy needs to be stable, transparent, and predictable, he emphasized, because uncertainty is bad for markets.

## ... plus banking regulation ...

In September, **Sir John Vickers** spoke to an audience of Stern faculty, students, and alumni about the Vickers Report, the proposed financial regulation set forth by the UK's Independent Commission on Banking. Two of its key findings are that core banking operations must be ring-fenced from the rest of the bank's other businesses and that substantially more capital is required than is imposed by Basel III. Some believe these reforms go further than any other banking leg-



Sir John Vickers outlined proposed financial regulation set forth by the UK's Independent Commission on Banking.



Gillian Tett of the *Financial Times* (second from left) led a panel discussion with Sir John Vickers (far left); James Staley, CEO of JP Morgan Investment Bank (second from right); and Professor Ingo Walter (far right).

islation, including Dodd-Frank in the US.

Following his speech, Vickers joined a panel discussion led by the *Financial Times's* **Gillian Tett** and including **James Staley**, CEO of

JP Morgan Investment Bank, and **Ingo Walter**, Seymour Milstein Professor of Finance, Corporate Governance and Ethics, and vice dean of faculty. The event was sponsored by Stern's Salomon Center for the Study of Financial Institutions.



Professors Roy Smith (left) and Thomas Philippon (right) responded to Sir John Vickers's remarks.

## ... and social entrepreneurship ...

As 2011 came to a close, the School hosted its eighth annual Conference on Social Entrepreneurship, which drew keynote speakers from Oxford, Cambridge, Ohio State, and the University of Rhode Island, as well as more than 100 research submissions from around the world. The conference is devoted to the ongoing development of theory and research on social entrepreneurship and its impact on global communities. **Jill Kickul**, director of the NYU Stern Program in Social Entrepreneurship, introduced Nobel Laureate and Stern Professor **Michael Spence**, who opened the conference with a plenary address on "The Next Convergence: The Future of Economic Growth in a Multispeed World." Economics Professor **Paul Romer** addressed the participants on "The Century of the City."



Professor Jill Kickul (right) and Sophie Bacq (left) coordinated the eighth annual Conference on Social Entrepreneurship.



# QUESTIONS

**CATHY MINEHAN (MBA '77)**  
Dean, Simmons College School of Management

*Cathy Minehan was appointed dean of the Simmons College School of Management (SOM) in April 2011, after a 39-year career with the Federal Reserve System. Minehan's career with the Fed began in 1968, when she joined the New York branch as a bank examiner and later worked in a variety of budgetary, strategic, and management roles there. She moved to the Boston Reserve bank as chief operating officer in 1991, rising to become its first woman president in 1994. She retired from the Fed in 2007 to pursue her next career. Simmons College SOM, the only women's graduate business program in the US, was founded in 1973 by two Harvard management professors.*

**1. What are your short-term plans and long-term vision for the school?**

Simmons College was created more than 100 years ago to educate women to be self-sufficient. The School of Management, since its inception in 1973, has developed unique programs to educate women for positions of power and leadership; in grant-funded gender research and in teaching many aspects of organizational behavior. In the short term, we have an endowed chair in women's leadership to fill, and I'm looking for partnerships nationally and internationally with other schools around educating women. We are developing an MBA in healthcare administration, and our location near Harvard Medical School and the Longwood area makes that a natural fit. Longer-term, our programs in entrepreneurship and political communications will take center stage.

**2. What particular challenges do women face in getting an MBA?**

For whatever reason, some very smart women have concerns – dare I say fears – about the mathematics of business. We run boot camps to help students who need to become more comfortable with the quantitative side. Another obstacle is the challenge of balancing work and family. I think it's a cop-out for organizations to say they're losing female employees because of these pressures. They're not trying hard enough to create an environment that supports working women, and men.

**3. What, if any, are the greatest differences between the education received by Simmons students versus those at traditional co-ed business schools?**

We do more in the areas of organizational behavior and in the function of gender in organizations, and we require a career strategies course. We want to confront women with the challenges they're likely to face in the business world. We continually work on the rigor of the quantitative side of our curriculum, recognizing that our graduates need these business skills to be successful.

**4. In terms of navigating the business world, what lessons did you draw from your 39 years at the Boston Fed?**

First, try to do the things you love – balancing work and life demands a lot, and loving what you do at work is vital. Second, be yourself – stay true to the important values you have learned and trust your gut instincts. Third, view the organization and your role in it very broadly. Understand how the business runs at the aggregate level and be willing to move horizontally to gain experience. Finally, have fun. Life is too short to keep your head down all the time.

**5. Women have made many gains in the business world since 1973, when the SOM was founded. Do you foresee a time when single-sex MBA education will be superfluous?**

No, I don't, though I recognize we occupy a niche that works for some, but certainly not all, women MBA students. I must say that 40 years ago I thought issues related to women leaders in the workplace would all be resolved; clearly the numbers at the top suggest they have not. So I think the approach we have will be needed in the foreseeable future.

**6. What aspects of your education at Stern were most helpful to you when you were starting out?**

The best thing about Stern, which was then named NYU's School of Graduate Administration (GBA), was that at any class at night your classmates were active participants in Wall Street. The students knew as much as the professors did about the practice of business. I would learn something at night and use it the following day at my job at the Fed. My GBA experience was phenomenal, and I owe a big debt of gratitude to my professors and classmates. It was arduous, though, after coming home to Queens on the subway at 11 o'clock at night.

**7. What motivated you to take the Simmons job?**

I left the Fed to restart, not retire. I served on several corporate and nonprofit boards, but I missed having colleagues, an ongoing day-to-day mission, and being part of something larger than myself. I'm very happy with this decision.

**8. What are your outside interests?**

I serve on nonprofit boards, I play golf (not well) and jog (not fast). I have two grown children and two stepchildren, and two step-grandchildren. For fun, my husband [former New York Fed President Gerald Corrigan] and I like to throw our bags in the back of our car and drive up the coast of Maine.

# IT'S A SLAM-DUNK! ALUMS SCORE BIG WITH BUSINESS SMARTS

By **Marilyn Harris**

With the XXX Olympiad kicking off in London in late July, now is a good time to take a look at some of Stern's other sports stars and find out how they got there and what advice they have to offer.

Each of these accomplished alums has taken his or her own distinct route to success in the sports field, and they fill widely varied niches. But they agree that marketing and finance preparation are *sine qua non* for making it in this increasingly tough business. And every single one named the same prerequisite for success in any field: passion.







### Lorenzo Fertitta (MBA '93)



*“As an entrepreneur, as your company grows you have to identify and continue micromanaging the things that are key to your brand.”*

— Lorenzo Fertitta

Lorenzo Fertitta happened in Vegas, but he certainly hasn't stayed there. Fertitta was born into a family-owned Las Vegas business, Station Casinos, now a 13,000-employee public corporation that operates 18 gaming establishments in and near his hometown. He grew up in the business, eventually working in every department. In 2001, he and a partner bought a majority interest in Ultimate Fighting Championship (UFC), a mixed martial arts (MMA) franchise that was so underdeveloped it was almost invisible. Under Fertitta's management, UFC has become the largest pay-per-view distributor in the world, reaching 1 billion homes in 22 languages and 150 countries and territories.

Fertitta's lifelong involvement with boxing, as a fan and via his seat on the Nevada State Athletic Commission, led him to MMA. He perceived that boxing's lack of a central organization and brand value was leading to its decline, though “it was clear there was a tremendous potential revenue stream that could be created on a worldwide basis.” He saw the opportunity to tap that revenue stream through UFC. “Put two guys in the octagon [the UFC's trademark fighting ring], and we knew we could sell that everywhere,” he said, adding that MMA is now the fastest-growing sport in the world. “Fighting is in our DNA.”

Fertitta credits Stern with his solid foundation in finance and economics, singling out Professor Aswath Damodaran's corporate finance class. Following graduation he returned to Station Casinos intent on developing analytical software to give the company a competitive edge. “The gaming business wasn't very sophisticated then,” he recalled. “We built our optimization tools from the ground up.”

Since acquiring UFC, Fertitta has built it into a powerhouse via pay-per-view, DVD sales, television syndication, Internet video on demand, and merchandising. In 2011, he

struck a wide-ranging multimedia agreement with Fox TV, gaining prime-time network distribution in the US, as well as distribution in Latin America, Asia, and Europe. Most recently he secured distribution in China and India, with the latter coming online in April 2012. Becoming mainstream can only help UFC, Fertitta asserted, though “at the end of the day, the product is always going to be edgy.”

As Fertitta continues to build out the company, Stern's alumni network remains a valuable resource. “Being in an industry that is highly capital-intensive, we've raised billions of dollars in the capital markets with the help of Stern alumni,” Fertitta said.

### Arlen Kantarian (MBA '78)

Arlen Kantarian knew he'd never be a professional athlete, but he's had an amazing career in sports. As CEO of the US Tennis Association's Professional Tennis operation, Kantarian transformed the US Open tennis tournament, into a two-week sports and entertainment spectacle making it the highest-attended sporting event in the world, nearly doubling revenue in the nine years he ran it.

Kantarian said that when he was in business school, the best route to get into sports was to get a job first with a leading marketing company. As a freshly minted MBA

*“To get into sports management, summer internships are critical, more than any one course. When you land your first job, work harder than everyone else (especially the first five years). After that, surround yourself with the best people and have fun.”* — Arlen Kantarian



he landed a marketing job with Colgate and subsequently with Pepsi Cola, which he described as the “marketing military.” At age 28, Kantarian leapfrogged to a VP of marketing position with the National Football League via a sponsorship tie-in with the Super Bowl that he negotiated while working at Pepsi. In 1988, he became president and CEO of Radio City Music Hall and Radio City Entertainment, and returned to the sports world in 2000 when he joined the USTA, where his responsibilities included managing the US Open, Pro Tour events, the US Davis Cup and Olympic Teams, and the National Tennis Center.

Some of Kantarian's innovations for tennis included creating and branding the US Open Series of summer tournaments; introducing prime time finals, instant replay, and live entertainment to the Open; and – a boon for players and viewers – changing the courts to blue.

“The business of sports and entertainment are similar – they’re both about player or artist contracts, TV deals, filling seats, creating sponsorship opportunities, and providing the most fan-friendly environment,” he said. “You’re in the business of creating atmosphere for the players, fans, and media.” He learned his craft well. In his decade at the USTA, he built attendance at the Open to a record 720,000 fans.

Kantarian credits Stern for helping launch him on his career path. The School helped him get an on-campus interview with Colgate, and later the alumni network enabled him to build key contacts with eventual sponsors at Chase, Amex, and American Airlines, among others.

### Jerry Cohen (BS '57, MBA '59)



*“You need passion, because you don’t always win. And you have to know how to accept defeat and bounce back.”*

— Jerry Cohen

Growing up in Brooklyn in the mid-20th century as a fan of the Yankees (versus the home team Dodgers) took a strong constitution. Jerry Cohen was not only up to the challenge of going against the grain, he ended up owning a piece of the team as a minority partner in what is today called Yankee Global Enterprises. “It was a dream I never thought would happen,” he said. “I’d call it a happy combination of circumstances.”

Cohen’s path to pinstripes started in the 1970s, when a neighbor introduced him to an opportunity to buy into the New Jersey Nets basketball team. Already a successful real estate developer, Cohen, who is today a partner in New York-based Tishman Speyer Properties, began his other career. In 1998, the Nets and the Yankees formed a television network to carry the teams’ games, known still as the YES network, which is part of Yankee Global Enterprises.

Cohen’s original, and enduring, career focus is real estate, an interest that was stoked at business school. “Stern inspired me to get into the real estate business,” he said, “and I’ve always had a passion for it.” For those students who want to work in sports, he points out that unlike in years past, today the business is run by huge corporations, for very high stakes, by executives with sophisticated finance and marketing backgrounds.

Cohen pointed out that when he first became involved with team ownership, the words “global” and “Yankees” were probably never in the same sentence. But today, he said, “Thanks to satellite TV, we’re looking at a real global sport, with players who are rock stars. You may see a true World Series one day.”

For any team in this environment, “The challenge is to create a business model that enables you to survive.

But the Yankees are not only the greatest team in the history of sports, it’s the best-run organization. Management retools and reloads every season.”

### Richard Adler (MBA '87)

Serendipity played a role in the career path of Richard Adler, CEO of Philadelphia Triathlon LLC. As an undergraduate at Vassar and competitive junior tennis tournament player, he worked one Christmas break at a big tennis event at Madison Square Garden. That turned into a full-time job working for ProServ, a major sports marketing firm in the tennis world. After five years, he sought an MBA and chose Stern, partly because its international program enabled him to study for a semester in Australia and continue working there for ProServ. “The Stern experience really strengthened my critical thinking skills and my ability to view the world more strategically, which I believe has really helped me throughout my career,” he said.

While at Stern, Adler was open to other careers, but when he graduated the sports business was “booming,” he recalled, and it made sense to return to ProServ. With his MBA in hand, he helped launch a corporate consulting division advising companies on their sports marketing portfolio and created new event initiatives, including a partnership with the Harlem Globetrotters.

Adler joined Philadelphia Triathlon in 2007. A multi-sport race production and management company based in Wayne, PA, Philadelphia Triathlon owns and produces



*“Be open-minded and aggressive in the pursuit of your dreams. Be creative but pay attention to detail. Get international experience, either academically or in the workplace. Take advantage of any opportunity that exposes you to a potential career path, paid or unpaid.”* — Richard Adler

various triathlon and Ironman events and provides management and race operation services for other endurance sporting events. The company selects new locations on the basis of community and corporate support, infrastructure capabilities, and potential as a destination, and, in turn, communities seek to host such events for marketing and tourism purposes.

Students who want to work in sports need the key business building skills that Stern teaches, Adler said. “A marketing curriculum focus will be a real help as you’ll gain both buy- and sell-side knowledge that helps in many aspects of the business, such as sponsorship, ticket sales, venue and team marketing, and sponsorship activation.”

## Andrew Rosengard (MBA '82)

*“There is nothing better than waking up in the morning excited to go to work.”*

— Andrew Rosengard



This might be the golden age of spectator sports. Cable Television provides wall-to-wall coverage of everything from high school basketball and wrestling competitions to every out-of-market ball game a sports-loving couch potato could wish for. Andrew Rosengard was a quarterback on the team that ushered in this era, first as head of Strategic Planning for Cablevision's Rainbow Programming subsidiary, and then as its head of Finance and Strategic Planning. Through his tenure in the late 1980s and the 1990s, Cablevision launched six regional SportsChannels to bring its stable to 10, launched SportsChannel America, purchased Madison Square Garden Corporation, including the Knicks, Rangers, and the MSG Networks, and signed or extended dozens of team and distribution agreements.

“Sports programming is unique in the cable landscape, as it is the most perishable programming and has the most fervent fan base,” said Rosengard. “To make it work, a complex set of dynamics all have to mesh, including securing rights to the teams' events, arranging distribution via local pay television operators, achieving the optimal level of carriage (basic vs. premium), and securing local, regional, and national advertisers.

Rosengard's path to Cablevision started at Stern. A summer internship in corporate finance at Doubleday & Co., facilitated by the School, involved his analyzing the acquisition of the DiamondVision scoreboard for Shea Stadium as well as honing his finance skills. After graduation, he joined the CBS Broadcast Group where he helped coordinate CBS's Olympic rights bids and developed the Pay-Per-View component of the bid valuation. Most notably, his team directed CBS's acquisition of a one-third interest in Cablevision's original four SportsChannels. In 1986 he jumped to Cablevision.

Rosengard credits Stern for providing him with the foundation and basic skills he needed not just to secure his first internship at Doubleday and his first job at CBS, but with the training he continues to use in his current position as COO and CFO of the Intellivent Group, a food marketing and media company that includes The Kitchen NYC and FoodPop.com. Stern has also filled the pipeline with talented hires throughout his career.

## Angela Taylor (MBA '02)

An athlete during her childhood in Mountain Home, Idaho, Angela Taylor played varsity basketball at Stanford, helping the team win two NCAA championships. When a season-ending knee injury removed

active participation from her life, she considered how to combine her passion for sports with her interest in business and finance and trained her sights on sports management.

Because the front office in professional sports was so male-dominated, she was advised to beef up her resume with coaching experience. After four years of coaching, she delayed her MBA again for an opportunity she couldn't pass up: getting in on the ground floor of the nascent WNBA, where she rose to senior director of player personnel. “The opportunity to be part of a historic moment in sports was a blessing and was the catalyst to my foray into the sports business,” Taylor said.

Taylor ultimately entered Stern's Langone Program,

*“Find your passion and don't be afraid to explore new opportunities, because we find out more about what we want to do by identifying what we don't enjoy.”* — Angela Taylor



attending part-time and graduating in 2002 with a concentration in marketing and management. Today she is the owner, president, and CEO of NetWorks Sports Consulting, a marketing and consulting firm specializing in strategic planning, brand development, program development, and event management in the sports and entertainment industries – with a twist. NetWorks Sports is committed to working only with those individuals and/or companies interested in the double bottom line. A charitable aspect is associated with every NetWorks project.

The fact that Taylor attended Stern while working made the experience especially meaningful. “It was incredibly beneficial to be able to immediately apply the concepts I was learning in the classroom to the job the next day,” she said. “I began to look at situations with a different, more strategic lens.” She built a strong network with both classmates and professors, especially in the entrepreneur space. Taylor says four courses have been particularly helpful in her career: management communications, negotiation, entrepreneurship, and marketing and branding.

Shortly after graduation, Taylor and a classmate launched the CHANCE Foundation, an organization to guide at-risk youth through the college application process, which was based on a venture idea for Stern's business plan competition and earned funding through the School's social venture competition. “That's when I realized the power of the Stern network and the need to give back to others in the network,” Taylor said. The foundation remains a focus of her nonprofit activities.

## Leslie Alexander (BS '65)



***“Read The New York Times and The Wall Street Journal every day. You can’t be successful in this world unless you know how the world works.” — Leslie Alexander***

Back in the early 1990s, Les Alexander, then a securities trader, wanted to invest in something that was a good value. He zeroed in on sports franchises, having been a basketball and football fan and having an eye for a good investment. At the time, however, football franchises were exploding in value, beyond his budget. And so it was he bought into basketball – big-time. Alexander purchased the Houston Rockets in 1993.

Owning a team was not even a fantasy in his student days. “I was so broke that it wasn’t something I thought of,” he recalled. “My goal when I was at Stern was to be independent and financially secure.” Alexander majored in economics under the tutelage of “some great professors.”

The Rockets gave Alexander a hearty welcome. In 1994, powered by Hakeem Olajuwon, the Rockets won their first NBA championship in franchise history. In 1995, they triumphed again, the first sixth-place seed in NBA history to come out on top.

Alexander remains bullish on the investment he made nearly two decades ago. “I’m unbelievably optimistic” about the future of professional sports franchises, he said. “Content is king in entertainment. The NBA is looking to be on TV in Spain, China, Russia...the whole world is our oyster. We could easily see television revenue double in value in the next 10 to 15 years.”

For would-be owners, however, the barrier to entry has risen steeply since he invested. “It would be hard to do the same thing over again due to the prices,” he acknowledged. “I think teams will actually double in value in the next decade or so.”

## Ivan Thornton (MBA '97)

A major sports fan, Brooklyn native Ivan Thornton grew up boxing and wrestling. After college, he spent 20 years working in financial management for big investment banks, during which time he earned his MBA. Then, in 2005, he branched out on his own, founding Fiduciary Management Group with the goal of handling the business and financial affairs of athletes and entertainers.

Today about half his clients come from the world of professional sports and entertainment. In addition to investing their money, he does everything from managing

their budgets, establishing LLCs, and negotiating business propositions to buying their houses. “These guys are young and not the most well-rounded when it comes to money,” Thornton said. “They don’t come from families that had *BusinessWeek* on their coffee tables.” As a con-

***“Work hard, be persistent, and develop a clear skill set.”***

— Ivan Thornton

sequence, he spends a lot of time educating clients and their families about financial matters.

“We have a very high-touch approach,” Thornton said. “Athletes like hard assets: real estate, businesses, bars, car washes, and the like. In addition to educating them, our job is to restrain them appropriately.” As for securities, he invests his clients mostly in fixed income products. “They need income because of their spending habits, and they don’t understand volatility,” he said. “It would be a bellyache to expose them to equities. They take enough risk with their bodies.”

Thornton’s Stern education confers a well-respected credential on him and his firm, he said, adding that “people straighten up” when they find out where he earned his degree. The courses he took in accounting (particularly tax-related), business management, and marketing are the most useful to him today.



## Brian Mermelshtein (BS '02)

The notion that he could make a living in the sports field came alive for Brian Mermelshtein in the fall of his senior year at Stern. He was riveted by his sports marketing class and switched his track from brand marketing to sports marketing then and there. “I realized I was more passionate about sports marketing than any other subject and spent 45 minutes after each class speaking with the professor,” he recalled.

When Mermelshtein graduated, he tapped the Stern alumni network for job possibilities. “Some alumni opened doors to opportunities that I would have never been able to access as a newly minted college graduate,” he said. “Because of those experiences, I try my hardest to meet with and help alumni that reach out to me.”

Currently manager of analytics for the NFL’s Digital Media team, Mermelshtein finds that marketing, finance,

***“Be relentless. Develop a network and be in constant communication with the people in it. Always seek the opportunity to learn and develop your skills. Take a risk and do the uncommon if the opportunity presents itself. Failure is a great learning opportunity.” — Brian Mermelshtein***



statistics, operations, and international business all play a role in executing his responsibilities. Among the NFL's priorities now is creating a larger presence in social media and mobile applications. Social media is changing the way people interact, Mermelshtein noted, engaging fans in deeper and more meaningful ways. "And with mobile, you are always connected and the opportunities are endless."

Students interested in working the sports industry would do well to master the core curriculum, in addition to a sports marketing class, he said. "The sports industry is just like every other industry – business skills are needed. We don't throw footballs down the hallways or practice kicking field goals during lunch." In addition, Mermelshtein advised, stay current on digital developments: "The sports industry is very innovative, and if you don't continuously improve yourself the industry will pass you by."

Another asset for job hunters is persistence, because the competition is intense. "Everybody wants to work in this industry. It took me four years post-graduation, three internships, and one temp position before I finally got my first job. To this day I work as hard as I can because I want to be here and I love what I do."

### Adam Grossman (MBA '10)

As the sports industry becomes increasingly analytics-oriented, from player recruitment to digital strategies, Adam Grossman is carving a niche with Block Six

*"Perseverance is key in any career. Things often do not move as quickly as you would like, and it is critical to continue to work hard in the face of setbacks or failures."* — Adam Grossman



Analytics, a start-up that helps sports organizations identify and maximize the revenue from sponsorship (or corporate partnership) opportunities.

Grossman founded the company while earning his MBA at Stern and named it after his cohort there. He had entered the School with the goal of continuing a career in consulting, but after co-founding and becoming the president of the Government and Business Association at Stern, he realized that he wanted to pursue his own entrepreneurial venture.

During a summer marketing internship with the Washington Capitals hockey team Grossman had impressed his boss, the chief marketing officer, by coming up with an 80-page report on ideas for generating business revenue in new business areas, specifically sponsorships. He returned to Stern and advanced those ideas as a project that earned him course credit and formed the groundwork for Block Six. An initial product is a Web-based application called Partnership Scoreboard that offers clients access to its corporate asset valuation model. The University of

Hartford, the first major client, launched its version of Partnership Scoreboard early this year.

Grossman, who is also co-authoring a book on the sports industry, suggested that the most meaningful classes for those interested in going into the field would be the business of sports marketing and sports economics. He also recommended a course on data mining and business intelligence because of "the explosion in the use of analytics in evaluating both athletic and business performance by sports organizations."

### Tom Cigarran (MBA '72)

Many people seek their destiny, but sometimes it has a way of finding them. Tom Cigarran, the co-founder and



*"Start out to do something important, not make a fortune. That will follow if you get good at what you do. Find or build an organization where you enjoy coming to work every day. Give it all you've got."* — Tom Cigarran

chairman emeritus of Healthways, the Nashville-based healthcare company, was approached in 2007 to invest in the National Hockey League's Nashville Predators franchise, which had been on the block and might have had to move out of town. Over the next 18 months, the civic-minded Cigarran became the second largest investor in the Predators, then managing partner and chairman. Although he had skated and played hockey as a youth, he wasn't even a serious hockey fan.

He is now. "If you had said I would be doing this even five years ago, I would have said you were delusional," he said. "But it's more fun every year, especially as the business side comes under control." The team, the youngest in the NHL, reached the playoffs seven out of the last eight years.

Cigarran attended Stern at night, earning his MBA in 1972. He recalled doing a very New York marketing project that still resonates with him. "We had to analyze whether discounting excess theater tickets on the day of performance would cannibalize ticket sales. We decided it wouldn't, and that led to TKTS," the popular day-of-performance discounter for New York's theater world. As a result of this early experience, Cigarran suggested a similar offering for Predators fans, and the team now offers up to 100 tickets at a lower price on the day of a game. "People stand in line for them," he said.

Knowing how to market is central to running a team, Cigarran said. Next important is a knowledge of economics, followed by finance. All three disciplines are critical to overcoming a tough economy, he pointed out: "You have to work harder and be more creative in marketing and promotions." Despite the recession, the team's revenue grew 13 percent last year.

## Where the Jobs are, and Why

### Michael Spence and Matthew Bishop discuss global trends and policies

*Last fall, before an audience of nearly 300 students, faculty, alumni, and members of the community in Stern's Paulson Auditorium, Nobel Laureate and Professor Michael Spence and Matthew Bishop, US Business editor and New York bureau chief for The Economist, discussed recent trends in the job market, both in the US and around the world. Drawing from his recent book, The Next Convergence: The Future of Economic Growth in a Multispeed World, Spence described the state of the labor market in the US and discussed the implications of rapid growth in emerging economies. Bishop, who wrote The Economist's special report on "The Future of Jobs," pointed to winners and losers in the global job market, labor market trends, and the role of government policies. Below is an excerpt of their conversation.*



**Michael Spence:** I spent the last seven or eight years focused on understanding emerging economy growth: where it succeeds, how fast it grows, what the government does to support this growth that's driven by private sector dynamics and the global economy and openness. We had 15 or 20 years of really extraordinary growth in the emerging economies, with India accelerating and China reforming and then growing at astonishing speeds. These two countries have 40 percent of the world's population. China is now the second-largest economy in the world and at its high speed, it's not going to take long to be the largest economy in the world, though not the richest. I started to think, these emerging economies are probably starting to have a fairly big impact on the US.

I went back 18 years to 1990 to find out where the American economy produced jobs. Industry by industry, sector by sector, dividing the economy into the part that competes with and trades with the rest of the world, which we call the tradable sector. The other part is domestic: government, most of healthcare, construction. A very big part of an advanced, or any economy, frankly, is the non-tradable sector.

We found that almost all of the job growth, net, in the US economy occurred in the non-tradable sector, with the leading increments coming from government, healthcare, construction until it turned down, and the labor-intensive sectors – retail, hotels, food service, and restaurants. Lots of others grew, too, but they're smaller. This non-tradable side was 98 percent of the growth in employment. The tradable side really isn't an employment engine, or hasn't been.

So what happened? There are sectors that employ mostly relatively highly educated people – service industries that benefit from the global economy and are growing in employment and in value-added and incomes. You could call those with the good fortune of working there the beneficiaries of globalization. Then there's another, more complicated set of industries that we normally call manufacturing, but they're very long supply chains. In almost all of these, the lower value-added parts, the labor-intensive assembly operations and so on, moved out of our economy and into other parts of the global economy. From an economic point of view, that's where they belong, given the states of development of those economies. If you net those departures, including the jobs, against the places that grew, you end up with almost no growth.

The lower and mid-range of incomes in the US grew very slowly over this

period. The upper end grew quite quickly, and by any standard measure of income inequality, it's rising pretty fast. It appears we're in a period in which the emerging economies are having a significant effect on the structure of advanced economies and the global economy. There are distributional effects, both in terms of income growth and in terms of range of employment opportunities.

What really happened in the American economy is a bit of a miracle, because we did create 27.3 million jobs in these 18 years, from 1990 to 2008, which is a lot. The people in the lower part of the income spectrum who were in the jobs that were migrating out, the tradable side, found employment on the non-tradable side. But they came across in sufficient numbers that normal market forces caused the supply to hold down the rate of growth of incomes and wages.

We now have both a very difficult recovery from a balance sheet recession combined with structural imbalances, because we ran an economy on very high growth in government and healthcare, on one hand, and a pattern of excess consumption. Our household savings rate trended down to zero before the crisis. It's now popped up, and now the economy is not growing and not generating employment because we're short of demand.

In Germany's economy, some patterns are similar. Most manufacturing industries in Germany actually declined in employment, but not as much. The main difference is that the tradable sector, unlike in America, remained an employment engine. It grew in the same pattern as the non-tradable side.

Around 2000, the Germans had a huge employment, productivity, and competitiveness problem. They had spent 10 years integrating East and West Germany, two very different economies, and were viewed as an economic basket case. But they went to work on it. They held down income growth, because they chose employment instead of rapid increase in wages. The labor unions got together with business and government and said we need the flexibility, but we want in return a commitment to employment. They reduced everybody's hours a bit and kept people. They treat labor as an asset there, one you want to keep around, especially the skilled labor.

So it's clear that, though these are two economies that are advanced and subject to the same very powerful technological and global market forces, outcomes are not always the same.



Dean Peter Henry (center) with Nobel Laureate and Professor Michael Spence (left) and *The Economist's* Matthew Bishop (right). Spence and Bishop talked jobs at an event held at Stern last fall.

to find work that will make you both very rich and very fulfilled. On the other extreme, many people face perhaps the most unappealing outlook they've ever had, particularly in the developed world, where people whose skills seemed to guarantee them the prospect of a good income for life are now finding they're not competitive in global labor markets. As Mike has said, for many millions of people in the developing world, this new labor market has brought them out of poverty and has been a very positive force. But the speed of change and the failure of countries like America to prepare for this new competition have left a lot of people facing a very uncertain future.

Over the past decade, America, and Britain I think as well, took the position that they would go into denial and try to create an impression of things going well by borrowing a lot of money and stimulating consumer demand. That created lots of jobs in industries that now have very shaky futures, because the demand disappeared.

## “It appears we’re in a period in which the emerging economies are having a significant effect on the structure of advanced economies and the global economy.”

— Nobel Laureate and Professor Michael Spence

So, are there different policy responses that can alleviate the crisis? Are there jobs for those in that second market, the difficult labor market where increasingly in the rich world you're being commoditized and where the developing world is eating your lunch? *The Economist* takes the view that free trade and competitive markets are the way we get wealthier as a planet. We believe in comparative advantage as one of the great theories of economics.

But we're at a point where globalization, technology change, and policy changes have created this labor market. The question is, are there other policies that could be in place that would address the problems? One of the key insights is the sheer speed at which everything is changing. The normal transition buffers that have allowed us to adjust when globalization and technology have caused certain jobs to be uncompetitive just aren't up to the job anymore.

There are policies that governments might use to try to manage this process better — such as a combination of flexible labor markets with the state providing a security net around it, called “flex-security.” The point is to help people manage the transitions in the periods when things are not going so well.

At the start of the century, the German government began co-funding with industry, a program where people could remain employed, but at reduced

### Matthew Bishop:

At the heart of my report, “The Great Mismatch,” is the idea that there are two very different sorts of futures of work. For people who have skills and talents that are scarce, this is probably the greatest opportunity ever

hours. Basically, they shared the work among the work force. That policy may have saved 800,000 jobs in Germany. Then as Germany recovered from the slump, it has grown much more quickly.

In Britain, the Labor government provided an “employer of last resort” function, a future jobs fund that targeted the unemployed young, guaranteeing them a job or a place in training. This downturn has hit people under the age of 25 particularly hard. Spain has a 45 percent unemployment rate in the 16-to-24 age group. Here in the US, 30 percent of the long-term unemployed are now in that age group. This is unprecedented in America.

Another problem is the extent to which the education system is fundamentally not geared up to cater to the needs of industry and business. We've actually got very high levels of vacancies in America that aren't being filled. Same in Europe. There are plenty of jobs, if only people had the right skills. Can you make the university sector more attentive to the needs of industry? Germany's apprenticeship scheme seems to do that quite well.

The head of Dow Chemical told me that when he goes to Germany, he talks with Angela Merkel about what Dow has planned over the next few years. Is the company looking for particular skills, and how can we make our education apprenticeship scheme more responsive to that? When he goes to the White House, he doesn't get that kind of deep questioning or any sense that America would be capable of responding like Germany.

It's a real challenge for America to recognize that it's been living in denial for the past 10 years — that it has many great assets, entrepreneurs, and businesses — parts of the economy that are creating a lot of jobs, but it has a real structural problem, and if it doesn't act fast, it's going to leave a significant number of people, particularly young people, facing a very unattractive future where they will not have the kind of fulfilling work lives that we would want them to have.

**MS:** One of the concerns in a number of countries, including in the US, is the belief, based on evidence, that if people manage not to find employment for three or four years after graduating high school, they may never get into the labor market. This has consequences in terms of everything from morality to economic efficiency.

**MB:** Yes, I think there is a real change in the way labor markets work, for two reasons, the globalization reason and also the technology change reason, and that's going to produce outcomes that are increasingly unequal, particularly at the top. So that brings up the question, what is the social contract between the winners and the rest? Is there a sense in which the successful need to reinvest in society in a different way and to give away some of what they've made? Clearly the missing link, the part of that social contract that should be a priority, is reforming the education system to give more people a better chance of being competitive in that unequal labor market. There is a real question about the sustainability of the world, where you have this inequality and a lack of hope for so many people at the bottom of the income spectrum.

**MS:** America's social contract, if we had one, is different from most European ones. The European ones are more protective of people. They've adapted the way they protect people directly, versus companies and industries. You can see this clearly in the German case, but it's much broader than that, because if you protect companies, specific jobs, and industries, then you muck up the competitive dynamics that give rise to wealth growth over time. In America, the social contract in its crudest possible form was you're more or less on your own but if you work hard, there's opportunity and upward mobility. That contract doesn't look very good if the opportunity part seems to be on the wane. ■



# The Common Thread of Success

By **Rika Nazem**

**W**hen successful people describe their achievements, a common thread typically emerges on how they succeeded: Surround yourself with good, smart people, and do what you love. William “Bill” Apfelbaum (BS ’68) weaves this thread into his story of building and leading successful businesses, most recently as the head of Titan Media and through his many entrepreneurial ventures.

Working with his father in the coffee business and commuting to the NYU School of Commerce (as Stern was then known) from the Upper West Side, Apfelbaum always hustled for his success. Graduating in 1968, he was teaching math to junior high school students when he received a call from the School’s head of placement, Murray Robbins, encouraging him to send his resumé to top US corporations. Apfelbaum received multiple offers – from Federated Department Stores, General Foods, and Coca Cola. But the one offer that stood out, and the one that he ultimately accepted, was from Metromedia, an owner of TV and radio stations and the main bus advertiser in the major markets of New York City, Chicago, and San Francisco. “Accepting this offer changed the direction of my interests and, ultimately, my life,” he said.

Over the next 20 years, Apfelbaum took on senior executive roles at New York Subways Advertising, as its president and owner; at Gannett; and as CEO of

TDI, the world’s largest diversified outdoor media company, where he remembers a tough start: “It was a difficult media market, the company was nearly bankrupt, and the staff was demoralized. I brought in a new team, gained the confidence of the banks and bond holders,

and got us back to profitability.” In 1995, TDI won the rights to advertise in the London Underground and on London buses, the first



**“It was exciting to be the first American ad company in London ...”**

American company ever to win such a contract. “It was exciting to be the first American ad company in London, and it provided an entrée into other European cities, including in Ireland, Spain, France, and Italy,” he said. The turnaround at TDI was so dramatic and successful, there is a Harvard case study written about it.

In 1996, Apfelbaum received an offer from Mel Karmazin at Infinity Broadcasting, which was eventually folded into CBS, the network conglomerate. “One of the biggest changes I implemented at CBS was to hire the right people and foster a team environment.” His plan worked – Karmazin asked Apfelbaum to stay on as president and COO of CBS; he chose to leave prior to the Viacom merger in 2000.

In 2001, Apfelbaum purchased an outdoor company that he renamed Titan Media, the largest transit media company in the US, reaching about three billion transit riders a year. He grew the company to 500 employees and \$450 million in revenue. But the 2008 recession



made business difficult, particularly in transit advertising. So Apfelbaum sat down at the restructuring table and returned the company to significant profitability in 2010. "Titan is a great company with a great management team, with exciting prospects to continue its US expansion plans and its development, particularly with digital signage."

After 30 years of running successful businesses and leading teams, some may think it's time to enjoy some down time, like "staying fit, playing basketball and golf, and running." But Apfelbaum has recently made two significant investments in relatively new companies; one in Skinny Water, a no-calorie beverage packed with vitamins, electrolytes, and antioxidants. "The trainers were already drinking it, and we're expanding our distribution to more than 20,000 supermarkets and convenience stores." His second major investment is in Media Ventures, of which he is chairman. Founded by Stern alumnus Rich Yaffa (MBA '97), Media Ventures is a marketing firm that does everything from traditional advertising to creative services to media buying and



**“Once you find your passion, work is not work.”**

brand management. In fact, Media Ventures is working with Skinny Water on its brand development.

In addition to his for-profit ventures, Apfelbaum leads the Apfelbaum Family Foundation, started in 1994 to support charities. It's a family affair, with his wife, children, and grandchildren involved in painting New York City schools and working with the American Lupus Foundation, AmFar, and Jewish charities, among others. He has instilled a philanthropic culture at Titan, too, and Media Ventures works with nonprofit clients like the March of Dimes. "Once you start working with charities, the feeling you get from it is powerful," he said. Apfelbaum gives time to Stern, too, by speaking to undergraduates about his career and the TDI case study, and by mentoring them on their careers.

What does Apfelbaum credit as his recipe for success? "Treat people well, respect them, care about them, and do what you love and live it. Once you find your passion, work is not work." ■

Entrepreneur William Apfelbaum has built and run successful businesses for more than 30 years. His most recent venture, Skinny Water, a no-calorie beverage, is in more than 20,000 supermarkets and convenience stores around the country.



# The Sky is the Limit

By **Carolyn Ritter**



**E**ver stare up at one of New York's iconic, sky-high buildings and wonder, who owns that? In all likelihood, Isaac Zion (MBA '96) of SL Green Realty Corp knows the answer and much, much more. As co-chief investment officer of the real estate investment trust SL Green, Zion has firsthand knowledge of what it takes to acquire and manage those assets — SL Green owns more than 25 million square feet of property in New York City.

With owned interests in more than 55 commercial properties, totaling more than 35 million square feet in Manhattan alone, SL Green's real estate holdings

Isaac Zion, co-chief investment officer of SL Green, knows what it takes to thrive in New York City's real estate market.

include some of the city's most impressive and historic structures, including 1515 Broadway in the heart of Times Square; the Daily News Building, an art-deco skyscraper on East 42nd Street; the MGM building on Sixth Avenue; and 280 Park Avenue, one of the most recent additions to SL Green's roster of buildings.

Born and brought up in Brooklyn, Zion has always enjoyed a special connection with New York. Growing up with a father who worked in real estate, Zion's passion for the business emerged early on: "After getting my graduate degree from Stern's full-time MBA program, I dove straight into a local real estate firm."

After six years on the leasing and consulting services side of the business, he was ready for another challenge. Moving to Tishman Speyer, one of the world's leading owners, developers, fund managers, and operators of real estate, Zion managed half the company's NYC leasing portfolio.

During his tenure there, Zion made the career leap from leasing to investments. "Tishman Speyer, which has a reputation for being one of the best in the business, was an incredible training ground," he explained. "I wouldn't be where I am today without that experience."

### **Location, location, location!**

To make the jump from leasing to acquisitions, Zion underscored the importance of being in the right environment and having the right attitude. His best advice for those looking to do the same: "Put yourself in the place where you want to end up, and be someone that people want to do business with."

Since joining SL Green in 2007, Zion has served as the lead on property acquisitions, dispositions, and joint ventures, playing a senior role in more than \$15 billion of investment activity. "Working for New York's largest office landlord is exciting," he said, "and being part of a best-in-class executive team, led by CEO Marc Holliday and President Andrew Mathias, puts us at the forefront in an extremely competitive environment."

"Despite high construction costs and recent economic challenges, New York real estate remains attractive to a diverse set of investors," he explained. "The market is still driven by financial services but to a lesser extent as the user base has diversified with media and technology-oriented tenants playing a larger role."

Looking two to three years down the line, Zion described New York's real estate outlook as optimistic.

"SL Green's more than 1,200 office tenants, including Viacom, AIG, Random House, and Citibank, are thinking about the future," he said. "Staying ahead of the curve, anticipating what our tenants will want next, and being thoughtful in our approach to their needs along with the needs of our portfolio, is critical."

According to Zion, new opportunities are everywhere. "Global and domestic companies, both new and established, want and need to be in New York," he explained. "Plus there's one crucial difference between New York and other cities in the US:

New York City doesn't have an oversupply problem – the time, effort, process, cost, and limited supply of land for new development act as a natural governor on supply."

Reflecting on his time at Stern, Zion described a class taught by Robert Kavesh, now the Marcus Nadler Professor Emeritus of Economics and Finance: "I learned how to broaden my perspective and how to adapt and take a different approach to challenges – a hugely important skill in this fast-paced and constantly changing industry."

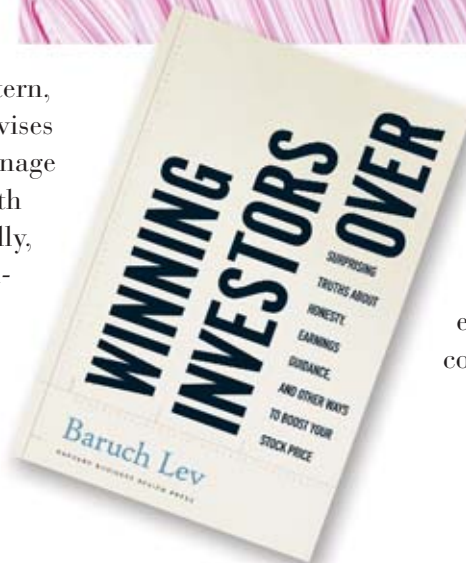
Still involved in the Stern community, Zion is generous with his time and knowledge, often meeting with graduate students in the School's Real Estate Club and offering insights to advance Stern's academic programming in the field.

His secrets to success? Zion claimed that "time kills all deals." In today's competitive market, he stressed the importance of looking for opportunities versus waiting for them. "Real estate is a creative business. To grow in this environment, you need innovative thinking to structure deals and make things happen." Persistence, he also emphasized, is key. "You can't get frustrated if you haven't met or exceeded your goal yet; the path is rarely direct." ■

**“Real estate is a creative business. To grow in this environment, you need innovative thinking to structure deals and make things happen.”**

# KEEPING IT HONEST: MYTHS AND FACTS ABOUT MANAGING INVESTORS

**I**n the current climate of unusual volatility in the securities markets, managers of public companies, more than ever, need to get their communications with Wall Street right. Baruch Lev, the Philip Bardes Professor of Accounting and Finance and director of the Vincent C. Ross Institute of Accounting Research at NYU Stern, has written a new book that advises corporate executives how to manage their company's relationship with the investing community ethically, honestly, and in a mutually beneficial way. At Stern for more than 10 years, Lev currently



teaches courses in accounting and financial analysis. He has extensive experience in public accounting, finance, and consulting and has served on various boards. *Winning Investors Over: Surprising Truths about Honesty, Earnings Guidance, and Other Ways to Boost Your Stock Price* (Harvard Business Review Press, 2011) is based on his and other finance scholars' research. Excerpted here are 10 myths and facts about capital markets. "It's important to note that all these managerial misconceptions are not benign," said Lev. "They lead executives to harmful decisions, both to the company and themselves."

## DEBUNKING MANAGERS' MISCONCEPTIONS ABOUT CAPITAL MARKETS

The “common wisdom” doesn’t often hold up in the face of evidence, as these examples demonstrate.

MYTH	FACT
1. Missing the consensus analysts’ estimate of earnings is a calamity.	If the business fundamentals haven’t seriously deteriorated, a consensus miss will have a negligible effect on the stock price.
2. Managers’ earnings guidance is a waste of time and resources and has to stop.	Guidance, under the right circumstances, reduces investors’ uncertainty, tames stock price fluctuations, increases analyst following, and mitigates litigation. All good things.
3. Shareholder lawsuits against managers and directors are on the rise and very costly.	Lawsuits aren’t frequent – roughly 220 a year – and are not increasing, and most settle for relatively small amounts.
4. The wide public criticism of executive compensation is unfounded, triggered by envy and misinformation.	The criticism is warranted. In too many companies, compensation is detached from corporate performance and not effectively monitored by the board.
5. Activist investors and intruding hedge funds are a nuisance, to be resisted.	Activists, hedge funds in particular, generally target valid issues and improve corporate performance.
6. Investors are myopic, obsessed with quarterly earnings and indifferent to long-term growth.	In fact, capital markets are dominated by long-term investors, who strongly support corporate growth investments (R&D, brands, IT).
7. Corporate social responsibility (CSR) is a waste of shareholders’ money.	Under the right circumstances, CSR enhances corporate performance and contributes to social good.
8. Quantitative data are what counts in managerial communications with investors (conference calls, road shows). Narrative has a marginal effect.	The narrative and tone of communications has a significant effect on investors’ decisions.
9. Independent directors contribute significantly to corporate performance.	The independence of directors has a minor contribution at best. More important than independence are directors’ expertise and dedication.
10. Overvalued shares are good; they enhance stock-based compensation and provide “cheap currency” for corporate acquisitions.	Overvalued shares are a recipe for investors’ disappointment and managers’ turnover, and acquisitions using such shares are often losers.

If you want to learn more about these myths, and particularly about the right actions managers should take to regain and maintain investors’ support, read *Winning Investors Over*.



# PROSPECTUS

## NYU Stern Unveils Global Systemic Risk Rankings

NYU Stern launched a global version of its NYU Stern Systemic Risk Rankings this fall, extending the weekly US rating and ordering institutions by level of risk to encompass the global banking system.

The global rating complements the Stern Systemic Risk Rankings, released in April 2010, which tracks the largest US financial institutions and the risk they bring to the financial system. The new rankings use stock quotations and other market data from 1990 to the present and provide an early warning that will help regulators and politicians identify threats to the overall health of the financial system. The rankings are accessible online from Stern's Volatility Lab, under the direction of Nobel Laureate **Robert Engle**, whose award-winning work on the ARCH model underpins the calculations. The rankings are part of a collaborative project with the Institute of Global Finance at The University of New South Wales and HEC Université de Lausanne.



Robert Engle

At launch, Engle said, "Consistent with the vision of Stern's Volatility Lab and our Systemic Risk Rankings of US financial institutions, we view the Global Systemic Risk Rankings as another step toward better understanding the systemic risk of financial firms." He added, "The Global Systemic Risk Rankings show that European banks are undercapitalized at a rate that is greater than what has been previously reported. The information is already priced into stock market values. Investors apparently recognize that European banks are undercapitalized, but these rankings are a wake-up call for European politicians."

The Systemic Risk Rankings are based on two related Stern faculty research efforts. Professors of Finance **Viral Acharya**, **Lasse Pedersen**, **Thomas Philippon**, and **Matthew Richardson** developed the Marginal Expected Shortfall, the per-dollar systemic risk contribution for each institution, in their paper "Measuring Systemic Risk." The development of the new rankings grew out of an extensive research effort surrounding the 2008 financial crisis, resulting in the publication of *Restoring Financial Stability: How to Repair a Failed System* (Wiley, 2009), co-edited by Acharya and Richardson, who authored the book's chapter on regulating systemic risk.

## Jeffrey Hollender Is Named Distinguished Fellow By Stern's Citi Leadership & Ethics Program



Marking its ninth year, NYU Stern's Citi Leadership & Ethics Program appointed Jeffrey Hollender, co-founder of Seventh Generation, one of the country's leading providers of natural products, as its 2011-2012 Distinguished Citi Fellow in Leadership and Ethics.

Through its fellow appointments, the Citi Program enlists business leaders who exemplify how business can address some of the world's most intractable problems, including poverty, homelessness, and environmental concerns, and stimulate economic growth.

Recognized as an authority on corporate social responsibility, sustainability, and

social equity, Hollender has written seven books, including *How to Make the World a Better Place, a Beginner's Guide* (1995); *The Responsibility Revolution: How the Next Generation of Businesses Will Win* (2010); and, most recently, *Planet Home: Conscious Choices for Cleaning & Greening the World You Care About Most* (2010).

Hollender is board co-chair of Greenpeace US and a board member of both Health Care Without Harm and Verité, a leading workers' rights organization. He is co-founder and board chair of the American Sustainable Business Council, a coalition of 110,000 business leaders committed to influencing public policy that

supports socially responsible businesses and social enterprises. Currently, he works with businesses through Jeffrey Hollender Partners, a strategy consulting firm.

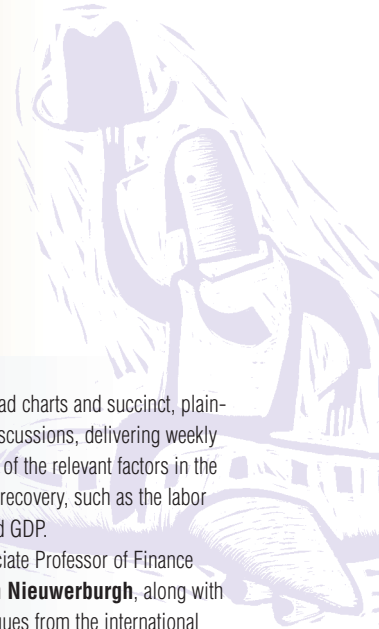
Most recently, Hollender joined the Bronx Cooperative Development Initiative (BCDI). BCDI aims to revitalize New York City's northernmost borough by developing wealth in the area through cooperative business ownership, producing sustainable and innovative companies with a competitive advantage, and providing leadership that encourages vibrant and resilient communities.

In the spring, Hollender keynoted the Citi Program's annual conference for Stern students and alumni, and throughout the academic year he interacted informally with faculty and students. "Hollender's record of achievements as a social entrepreneur is extraordinary. His wealth of experience and knowledge is invaluable to Stern students, faculty, and alumni," said **Bruce Buchanan**, C.W. Nichols Professor of Business Ethics and director of Stern's Business & Society Program Area, which houses the Citi Program. "In light of the Citi Foundation's support of enterprise development, education, and neighborhood revitalization, Hollender is a perfect fit as this year's Fellow."

Established in 2003, NYU Stern's Citi Leadership and Ethics Program, made possible through the generous support of the Citi Foundation and managed by Stern's Business & Society Program Area, represents a comprehensive effort on behalf of the School to extend its longstanding commitment to the practice of professionally responsible business.



To celebrate the 99th birthday of Emeritus Professor of Statistics **Ernest Kurnow** (PhD '51), the Information, Operations, and Management Sciences department held a party in his honor. Kurnow (left), who joined the NYU faculty in 1948 as a teaching assistant, has taught at Stern for more than 60 years.



## research roundup



Anindya Ghose

**Anindya Ghose**, associate professor of information, operations, and management sciences, and Stern doctoral student **Jason Chan**

received the best paper award at the 2011 Workshop on Health IT and Economics held at the University of Maryland for "Internet's Dirty Secret: Assessing the Impact of Technology Shock on the Outbreak of Sexually Transmitted Diseases." In this research, they use data from Craigslist to show how its entry into different US cities and the proliferation of personal ads for casual one-night encounters has affected health outcomes in the US over an eight-year period.

**Viral Acharya**, C.V. Starr

Professor of Economics, presented the Global Systemic Risk Rankings at the Global Systemic Risk Conference, hosted by the Federal Reserve Bank of New York, the Society for Financial Econometrics, and the NYU Stern Volatility Institute in November. Acharya has joined the International Advisory Board of the Securities and Exchange Board of India. He has also become a member of the Economic Advisory Committee of the Financial Industry Regulation Authority and the Advisory Committee of the Financial Sector Legislative Reforms Commission of India.



Viral Acharya

Associate Professor of Economics **John Asker** won the annual prize for the best paper in competition economics in 2011

from the Association of Competition Economics (ACE). His paper, "A Study of the Internal Organization of a Bidding Cartel," was recognized at ACE's annual conference in Bergen, Norway.

**Thomas Cooley**, Paganelli-Bull Professor of Business and International Trade, and his colleague Peter Rupert created the Cooley-Rupert Economic Snapshot, available online, which wraps up data in



John Asker



Thomas Cooley

easy-to-read charts and succinct, plain-English discussions, delivering weekly snapshots of the relevant factors in the economic recovery, such as the labor market and GDP.

Associate Professor of Finance **Stijn Van Nieuwerburgh**, along with six colleagues from the international Euro-nomics academic group, proposed



Stijn Van Nieuwerburgh

a cleverly designed bond, named European Safe Bonds, they believe would ensure the euro zone's survival without a fiscal union. Banks can hold these bonds, and the European Central Bank would accept them as collateral. Such bonds would help meet the worldwide demand for safe assets, particularly in times of crisis, when investors seek a safe haven.

## short takes



Richard Sylla

Reserve System's Centennial Advisory

**Richard Sylla**, Henry Kaufman Professor of the History of Financial Institutions and Markets, was recently appointed to the Federal

Council, which will provide advice to the planning group for the Federal Reserve System's Centennial Commemoration, which will begin in December 2013. Former Fed Chairmen Paul Volcker and Alan Greenspan (BS '48, MA '50, PhD '77, Honorary Doctorate of Commercial Science '05) will serve as honorary co-chairs of the council.

On October 28, **Lawrence White**,



Lawrence White

concert venues. White said that paper-

less ticketing carries substantial risks of inhibiting competition in the secondary ticket markets.

**Robert Engle**, Michael Armentino Professor of Management and Financial Services and Nobel Laureate, was named the 2011 Financial Engineer of the Year by The International Association of Financial Engineers and Sunguard Financial. ■







# BEHIND THE OLYMPICS:

NEW RESEARCH  
SHEDS LIGHT ON HOW THE  
HOST CITY IS CHOSEN  
AND WHY RIVALRIES FORM

By **Marilyn Harris**

**T**he road to the Olympics is always long for participants and for the cities that host them. The XXX Olympiad kicks off July 27 in London, and the frenzied couple of weeks till the closing ceremony will be the culmination of years of hard work for the 10,500 athletes from 204 nations expected to compete in 26 sports – and for the Londoners preparing for the onslaught. Rivalries both friendly and fierce will be resumed, whether between Chinese and Japanese gymnasts or Australian, Chinese, and British divers or American, Swiss, and Spanish tennis players.

In the intense competition to host the Games, the Olympic Committee's choice of London took most people by surprise – but not Professor Amitav Chakravarti, who believes that the very process of screening bidders made it almost predictable that a dark horse would win. You can read Chakravarti's reasoning in the following article about his research on decision-making.

And as for rivalries, Gavin Kilduff, assistant professor of management and organizations, has focused on how competitors become rivals and whether that metamorphosis is a positive force. His groundbreaking research is described here.

# TO BUY OR NOT TO BUY

WHETHER PURCHASING CEREAL OR SELECTING  
AN OLYMPIC HOST CITY, HUMAN  
DECISION-MAKING IS AN IMPERFECT SYSTEM



**T**he human mind is a wondrous thing, but it can be distinctly un-wondrous when making multifactor, multistage decisions.

Faced with a wall of cereal choices, for instance, a shopper could stand befuddled for many minutes weighing the attributes of fiber,

sugar, fat, and carbohydrates, not to mention price and, perhaps as a final criterion, taste. As each element is considered in turn, the initial ones often fall by the wayside. The winning cereal may have fewer carbs and an acceptable price, but too much sugar and too little fiber. But at that point, who

cares? The marvelous human brain had simply hit tilt.

Choosing which grains to pour in your cereal bowl, it turns out, isn't that much different a process than far more complex, weighty, and even world-shaking decisions, according to Amitav Chakravarti, associate professor of marketing at NYU Stern.



A wide variety of decisions are conducted in multiple stages, says Chakravarti. The process works like this: People first look at an array of all possible choice options, mentally screen those options to create a short list, and then examine the short-listed options more carefully in order to arrive at a final choice. This sequence applies whether people are purchasing consumer products, hiring employees, finding apartments, selecting beauty pageant or science competition winners, and even selecting Olympic venues.

In a paper published in the *Journal of Marketing Research* and awarded the 2009 Google-WPP Marketing Research Award (an unrestricted grant of \$50,000), Chakravarti and his co-authors, Chris Janiszewski and Gülden Ülkümen, showed that inferior decision-making might start with the act of screening itself.

In their research, the authors investigated how consumers – in this case undergraduate students – chose among several brands of microwave popcorn with such different attributes as sodium level, crunchiness, calories, and price.

The results demonstrated that “the act of screening alternatives and creating short lists induced a tendency to neglect the screening information in subsequent stages of decision-making.” In other words, the attributes they originally deemed important were forgotten by the time they made their choice. Perhaps predictably, decision makers who screened and then chose made consistently different final choices than did decision makers who skipped screening and chose directly.

This phenomenon persists even

when the screening criteria are regarded as more important than the post-screening information and are based on attributes that remain constant. The studies showed that how highly an option ranked when initially screened had little influence on the likelihood it was ultimately chosen. In fact, variations in the final choice were largely explained by how attractive the options were, independent of the screening attributes that were used.

### **Dark horse takes the gold**

The London Olympics, as most others, is a case in point, Chakravarti explains: London was ranked third during the candidate city stage, with Paris and Barcelona as clear frontrunners. Yet, as has happened in previous Olympics, the city that was ranked lower down – in this case, London, in third place – went on to become the final host, while the early favorites fell by the wayside.

Chakravarti explains how Olympic venues are selected in two rounds of decisions. The process begins with the Olympic Committee inviting cities all over the world to bid for the next Olympics. Cities that submit a bid – usually 10 or so – are referred to as applicant cities. In the first round, the selection committee, comprising 10 to 12 judges, then shortlists five cities for the second round. These cities are typically referred to as the candidate cities. In round two, one of these candidate cities is crowned as the host.

The choice of the host city is governed by a set of 11 different criteria, seven of which are used to select the candidate cities, and then all 11 criteria are mandated, or at least strongly recommended by the Olympic

Committee, to be used as input for making the final choice. This is what should happen, says Chakravarti.

In reality, however, the professor adds, there is very strong evidence of the screening effect. The research suggests that judges would tend to wipe the slate clean and discard all or most of the information they encountered in stage one. In fact, this is exactly what happens – frontrunners in stage one, the candidate city stage, seldom get to host the Olympics. This aberration is so common that betting sites have arisen to take advantage of the arbitrage opportunity.

The research has important implications for businesses. For one thing, consumers who screen alternatives based on price may be less price-sensitive when they make their final choice. Thus, Chakravarti pointed out in his paper, “It may be possible to encourage screening on less-valued attribute tradeoffs so that more-valued attribute tradeoffs are emphasized at choice.” Also, retailers could organize merchandise to encourage consumers to do their initial screening based on low-margin attributes, leaving them with higher-margin attributes when they make their final purchase decision.

AMITAV CHAKRAVARTI is associate professor of marketing at NYU Stern. CHRIS JANISZEWSKI is professor of marketing at University of Florida’s Warrington College of Business Administration. GÜLDEN ÜLKÜMEN is assistant professor of marketing at USC Marshall School of Business.

# HOW COMPETITORS BECOME RIVALS - AND WHY IT MATTERS

**W**e live with competition and rivalry all our lives. In grade school, there's the kid who's always scoring two points higher on math tests and making sure you know it. In Little League, the shortstop who's always throwing you out on first base and then waving goodbye as you head to the bench. Grow up, and it's not much different. There's the neighbor who makes sure her Halloween decorations and megacandy bars put your efforts to shame. The colleague who manages up better – while doing inferior work – and gets the promotion. And don't forget the company that steals your customers away with loss-leading come-ons. If you weren't so ethical, you'd consider a Tonya Harding/Nancy Kerrigan move, or its corporate equivalent.

Life is competition, you say. But there's competition, and there's rival-



ry, and therein lies a world of difference. To better understand the nature of both, Gavin J. Kilduff, NYU Stern assistant professor of management and organizations, and colleagues studied records of the National Collegiate Athletic Association (NCAA) men's basketball games, conducting what they believe is the first systematic research into the potential for

rivalry to influence behavior, for good or ill.

Though prior research has addressed competition among individuals, groups, and organizations, Kilduff, along with Hillary Anger Elfenbein and Barry M. Staw, set out to investigate how and why certain competitive relationships develop into rivalries, an area they found was generally underemphasized in existing literature. In their paper, "The Psychology of Rivalry: A Relationally Dependent Analysis of Competition," he and his co-authors wrote: "Prior research has sometimes

used rivalry as simply a synonym for competition; by contrast, we treat it as a distinct construct."

Kilduff conceptualized rivalry as "a subjective competitive relationship that one actor has with another actor that entails increased psychological involvement and perceived stakes of competition." In lay terms, rivals are competitors we want to beat just for the satisfaction of beating them, regardless of



whatever tangible prize is at stake. The rivalry can exist in one or both of the actors' minds. An actor can be an individual, a group such as a sports team or a work group within a company, an entire organization (e.g., Apple v. IBM in the 1980s), even a country. Sometimes rivalry motivates a person or organization to act counter to his/its own best interests. Kilduff points to Boston Scientific's costly acquisition of Guidant as an example of economically irrational behavior motivated by rivalry with other bidders.

### **Burn their mascot!**

What are the elements that coalesce to transform straightforward competitive spirit into a "win at any cost" fury that could turn bitter upon defeat and endure for decades? Kilduff's team analyzed records and survey data from all 73 universities of the NCAA Division I men's basketball major conferences, including the ACC, the Big 12, the Big East, the Big Ten, the Pac-10, and the South Eastern Conference. For subjective data, they polled student sportswriters at those schools who covered basketball, as well as players and coaches, asking them to rate the levels of rivalry their teams felt toward opposing teams. To help identify where and why rivalries formed, the researchers collected archival data on teams and pairs of teams. Game-level statistics enabled them to analyze the consequences of any rivalries.

Kilduff's hypothesis that rivalry networks in college basketball were largely relational was borne out by the subjective data collected from sportswriters, coaches, and athletes. "Teams reliably see certain opponents as stronger rivals than others," he said, adding that rivalry is "very real" in the minds of these competitors.

The archival data revealed even

more about the factors that motivated NCAA rivalries: "We found strong support for the idea that similarity in geographic location, basketball-related status, and broader university status all foster rivalry," Kilduff said. Further, the frequency and intensity of prior competition between teams – especially those that were evenly matched – were strong indicators that those teams would be fierce rivals and would remain so, regardless of the ultimate outcome. Thus, history is vital to rivalry, which sets it apart from competition more generally. Rivalry builds up over time and repeated competition, suggesting that people (or companies) may tend to direct their competitive energies toward longstanding opponents, perhaps to the neglect of considering more recent contestants (e.g., new market entrants).

### **Stuff that shot!**

How rivalry affected performance on the court was less clear. The researchers predicted that the greater the rivalry, the better the performance on tasks they considered "effort-based," for which the association between motivation and success is obvious. For instance, in basketball, greater effort does not necessarily improve offensive performance such as shooting and passing, because the opponents' actions are a factor. However, defensive success is more likely affected by the degree of effort put forth, so the researchers figured that identifiable rivalries would lead to better defensive performance. In analyzing the game-level stats for steals and blocked shots – good signposts of defensive effort – they found support for this hypothesis.

Kilduff's research has important practical implications. In business organizations, for instance, employees who are similar to one another (in demographic characteristics, tenure,

expertise, position, etc.) who have repeatedly competed against each other (for promotions, performance rankings, etc.) and who have been evenly matched during prior contests, such as sales drives, will tend to see each other as rivals, he wrote. Thus, they may be more motivated when competing against one another than against others. He suggests that managers wishing to increase employee motivation might consider designing incentive systems that foster inter-employee rivalry such as competitive tournaments. Playing up rivalries with competing firms or work groups could help galvanize employees as well.

Of course, managers or coaches who overdo the rivalry angle may create unanticipated problems, the author acknowledged. A "win at all costs" attitude has been known to lead to unethical or economically irrational behavior and excessive risk-taking, a phenomenon Kilduff has begun to investigate. His subsequent research has unearthed evidence suggesting that rivalry outdoes general competition when it comes to "increased Machiavellianism," false reporting of performance, and unsportsmanlike behavior – results that, he said, "paint rivalry as a powerful motivational and corruptive force that has significant implications for organizations."

GAVIN J. KILDUFF *is assistant professor of management and organizations at NYU Stern.* HILLARY ANGER ELFENBEIN *is professor of organizational behavior at Washington University in St. Louis.* BARRY M. STAW *is Lorraine Tyson Mitchell Professor in Leadership and Communication at University of California, Berkeley.*

# PEER TO PEER Student Life in Washington Square and Beyond

## TO THE REAL WORLD AND BACK

By **Randy Cohen**

Kim Pham was in the midst of a summer financial accounting course when she received a phone call revealing that she would be wrapping up her summer with a very different learning experience. As one of three winners of Lenovo's Tech Trip contest, the Stern sophomore was given the rare opportunity to visit four major technology companies – Lenovo, Intel, Dolby Labs, and Namco Bandai Games – to gain insight into the industry, meet with executives, and address business challenges.

"I'm really passionate about technology and business and how they're connected," Pham explained. "So I jumped at the chance to be able to visit cutting-edge tech companies and learn more about the industry." Pham entered the contest, via Facebook, with an essay and video submissions describing her enthusiasm for startup technology. After several rounds of selection, she was chosen from hundreds of college applicants to embark on a two-week cross-country trip to the four corporate giants.

"Working in tech startups for more than three years and being an engineer's daughter, I thought I knew all there was to know about tech, but the trip truly opened my eyes to the unlimited possibilities in both hardware and software," Pham admitted. "Each company exhibited different aspects of technology that were new to me. Lenovo and Intel gave me in-depth looks at the physical components we use daily inside our phones and computers. While it's easy to take these devices for granted, I learned they're bred from decades of research, building, and testing. Dolby and Namco Bandai struck me with their plans for the social space of audio technology and gaming. Dolby (which I once only thought of as my dad's speaker company) demonstrated innovations in gaming audio that left me amazed. At Namco Bandai, I enjoyed the combination of thoughtfulness and fun that goes into their products and consumer marketing."

At all four companies, Pham and her fellow winners met with key personnel who offered them insights and advice. "It was nerve-racking at first – we were continually meeting successful people in management positions – but everyone was so friendly and helpful in answering our questions," she said. "I made great contacts and I



(top photo) Tech Trip winners SrBilyon, Alan, and Kim pose in front of the Lenovo tour bus at their Raleigh headquarters.

(bottom photo) The three students are welcomed at the Intel headquarters in Silicon Valley.

am still in touch with some of the executives."

The trio was also tasked with tackling problem-solving challenges as a team and presenting their concepts to company employees. "One of my favorite challenges was probably our most difficult," Pham recalled. "At Intel, we were asked to create a marketing campaign to co-promote Lenovo and Intel. Because it was so open-ended, we struggled a bit to get our thinking off the ground – but once we hit the idea of an interactive traveling exhibit, the three of us went full-speed ahead and just crushed it."

As she continues her Stern career, Pham said she learned much from the Tech Trip that she can apply to her studies in marketing and computer science. "The trip and the challenges connected my two areas of study in a real-life way that showed me how technology is shaped and how it is delivered to us. The entire adventure was a whirlwind of learning, touring, networking, and fun, and it cemented my desire to work in tech in the future."

## A CLASS GIFT The TRIUM Legacy Fund Marks a First in EMBA Student Giving

By Marilyn Harris

In January 2012, Marty Low and Matt Wanderer completed their two-year global executive MBA program with TRIUM, the innovative joint program run by three top business schools: NYU Stern, London School of Economics, and HEC Paris.

Low and Wanderer are two of a class of more than five dozen experienced business men and women who, while continuing to work at their regular jobs, committed themselves to a rigorous business curriculum.

The experience has been deeply affecting. The value from the program is in the forged relationships and shared business thinking as well as the coursework. “We’ve traveled together around the world,” said Wanderer, “and we don’t want it to end.” Now that they’ve earned their degrees, they won’t be bidding their classmates goodbye. The TRIUM Class of 2012 plans a follow-on act that’s unique in TRIUM’s 10-year history.

### Lasting legacy

With the dual goals of keeping their class together and doing good in the world, Low and Wanderer have created an unusual class gift: the TRIUM Legacy Fund, a microfinance fund that will be managed by their class in perpetuity. The fund will be used to lend money free of interest and fees to microenterprise projects and ventures throughout the developing world. “Managing the fund to maximize social impact will keep us together as a class and active in the world of social enterprise,” said Low. “We want to leave a lasting legacy.”

One of the more satisfying aspects of the project is that it enables the students to apply what they have learned to a real-world situation. “Every single professor in Paris talked about social enterprise, and many have done research related to the corporate role in social enterprise as well,” Low explained. “At LSE, it was all about ‘the bottom 1 billion’ – this group that hasn’t moved ahead since 1970 while the rest of the world is racing along. NYU Stern’s corporate strategy included corporate social responsibility, and our professor has recently added a social sector strategy case to her course offering. With the Legacy Fund, we’ve found a sustainable way to help the less fortunate.”

Under the administration of the TRIUM Class of 2012, the Legacy Fund’s principal will be contributed



TRIUM classmates Matthew Wanderer, Kalpana Sankar, and Marty Low started and advise the TRIUM Legacy Fund, a microfinance fund managed by their class that will lend money to microenterprise projects and ventures throughout the developing world.

directly by their classmates or as charitable donations from the companies that employ them. The loans to social enterprise organizations and projects will be made for a term of two to three years, and when the money is repaid, it will be loaned out anew. For corporations, the fund is structured to enable them to make a one-time tax-deductible donation, while the money keeps working year after year. Loan recipients will be selected by the TRIUM Class of 2012 via, as Wanderer put it, “a democratic process.”

### In-cohort Expertise

There is ample expertise among the TRIUM cohort to manage the Legacy Fund. Both Wanderer and Low have worked in top management with nonprofit organizations. Low was vice president and CFO of the San Francisco AIDS Foundation and the Pangaea Global AIDS Foundation. Wanderer co-founded [www.Evergift.org](http://www.Evergift.org), a 501c3 funder that pairs corporations with social enterprise initiatives and has committed resources to facilitate deployment of the TRIUM Class of 2012 Legacy Fund. Another classmate and fund adviser, Kalpana Sankar, is the CEO and a founder of Hand in Hand International, a microenterprise-focused NGO in Tamil Nadu, India.

Overall, the Class of 2012 represents dozens of industry sectors and a mix of entrepreneurs, corporate executives, and other professionals. “Our class is younger and more entrepreneurial” than traditional philanthropic donors, said Low, “and we demand to see true outcomes, impacts, and efficiencies for our charitable activities. This fund is in step with the current trend.” Added Wanderer: “The unique aspect is that we have 65 people from more than 30 countries learning at three universities how to deploy a joint fund that will be redeployed in more than 30 countries in our lifespan.”

Only a few months old, the Legacy Fund is currently funded at a level in the tens of thousands of dollars. Said Wanderer, “We plan to launch somewhere around \$100,000, then build from there. Our hope is to extend a friendly challenge to future TRIUM cohorts, to take things even further.”

# ALUMNI RELATIONS Alumni News & Events



**REUNION 2011**, held on October 22, brought together nearly 600 alumni and friends, representing 25 classes and 50 years of graduates, for the School's first quinquennial reunion celebration. Alumni reconnected with fellow graduates, beloved faculty, and their alma mater during a day filled with timely and relevant programming on campus, evening cocktail receptions, and a gala dinner at the Waldorf=Astoria in midtown Manhattan. For more information on Stern's reunion program, visit the website at [www.sternalumni.nyu.edu](http://www.sternalumni.nyu.edu).



1. Alumni celebrated Reunion 2011 at the legendary Waldorf=Astoria.
2. Alumni danced the night away in the Grand Ballroom.
3. Stern graduates reconnected at the gala dinner.
4. T. Courtney Jenkins, Stephen M. Nettler, and Helen A. Mac Isaac posed for a photo with fellow classmates from the MBA Class of 1991.
5. Mona Zacharia Beerman and Gregory Tyszkas met with fellow alumni from the MBA Class of 1976.
6. Robert DuBoff, Elena Pasik, Beth Selig, and Julio Burciaga, MBA Class of 2006 alumni, engaged in discussion with Peter Henry, Dean.
7. Peter Henry, Dean; Geeta Menon, Dean, Undergraduate College; and Julie A. Lucas, Associate Dean, Development & Alumni Relations, announced that more than \$2 million was raised from alumni who participated in Reunion 2011.
8. Vince Volpicelli (MBA '71) caught up with fellow alumni Bruce Berger (BS '66), Joe Lavezzo (MBA '71), and Leslie Toepler (MBA '81) at the Dean's Luncheon.
9. Peter Henry, Dean, welcomed alumni back to Stern's campus.
10. Undergraduate alumni from the Class of 1961 reconnected at the Welcome Breakfast.
11. James Paddon, Melissa Gerdts-Lucanie, Sandi Klose, and Greg Werlinich, alumni of the Executive MBA Class of 1996, celebrated their 15-year reunion.
12. Jim Kime (BS '01), David Aidi (BS '01), and Erin Lien celebrated their 10-year reunion.
13. Andy Sullivan, Bob Beck, Maureen Piché, Kris Kielsen, and Jonathan Lillian, alumni from the Executive MBA Class of 1991, celebrated their 20-year reunion.
14. Christopher Tasik (BS '91) participated in a discussion during the panel on Active vs. Passive Management of Mutual Funds.
15. Roy Smith, Kenneth Langone Professor of Entrepreneurship and Finance and Professor of Management Practice, and Charles Murphy (MBA '74), Professor of Management Practice, hosted a panel on Current Developments in Corporate Finance and Private Equity.



# REUNION 2012:

## CALLING ALL ALUMNI FROM THE CLASSES OF "2" AND "7"

If you graduated in a year ending in a "2" or "7," this is a reunion year for you! Save the date and join us on October 13, 2012, for a day of intellectual programming on campus and a festive night of dinner and dancing at the Waldorf=Astoria. Now in its second year, NYU Stern's successful Reunion program is a celebration of your shared Stern heritage – a unique opportunity to engage in intellectual programming with esteemed Stern faculty; reconnect and reminisce with friends and fellow business leaders in the alumni community; make new connections; and revel in each other's accomplishments.

More information, including a formal invitation will be sent in the coming months. Visit the website at [www.sternalumni.nyu.edu/reunion2012](http://www.sternalumni.nyu.edu/reunion2012) or call (212)998-4161 for more information on the event, to join your reunion committee, or to make a gift in honor of your class.



NYU Stern's Reunion Program is a celebration of your shared Stern heritage.

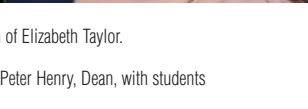
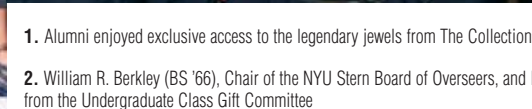
## Show Us Your Stern Spirit!

**Jim Fuller (BS '66),**  
Partner, Fenwick & West, and his wife, Jennifer, show their school spirit in Abu Dhabi, after a visit to NYU's campus there. Where have you taken your Stern pride? Send us a photo at [alumni@stern.nyu.edu](mailto:alumni@stern.nyu.edu) for a chance to be published in the next issue of the alumni magazine. For more information on NYU's Abu Dhabi campus, visit [www.nyuad.nyu.edu](http://www.nyuad.nyu.edu).



# ALUMNI HOLIDAY CELEBRATION: COCKTAILS AT CHRISTIE'S

On December 8, more than 800 alumni and friends gathered at Christie's for this unique event celebrating a shared Stern heritage and the holiday season. Guests spent the evening reconnecting and networking with members of the Stern community, while enjoying cocktails, hors d'oeuvres, music, and exclusive access to Christie's showing of "The Crown Jewels of Hollywood – The Collection of Elizabeth Taylor," which featured the actress's legendary jewels, haute couture, fine and decorative art, and memorabilia. For more information on this and other alumni events, visit the website at [www.sternalumni.nyu.edu](http://www.sternalumni.nyu.edu).



1. Alumni enjoyed exclusive access to the legendary jewels from The Collection of Elizabeth Taylor.

2. William R. Berkley (BS '66), Chair of the NYU Stern Board of Overseers, and Peter Henry, Dean, with students from the Undergraduate Class Gift Committee

3. Members of NYU Stern's Alumni Council: Mark Bean (MBA '06) and Howard Shain (MBA '77) with Monique O'Connell, and Christopher J. L. O'Connell (MBA '00), Chair of the NYU Stern Alumni Council

4. Herbert Paul (MBA '56) and Judy Paul

5. Young Haskins Partner Associates celebrated the holidays at Christie's.

6. Christine Schneider (MBA '94); Susan Jurevics (MBA '96); Jane Dresner Sadaka (MBA '80), Member of the NYU Stern Board of Overseers; and Peter Henry, Dean

7. Julie A. Lucas, Associate Dean of Development & Alumni Relations, Brian Zakrocki (MBA '06), and Vincent Evola (MBA '06)

8. Thomas Pugel, Vice Dean for MBA and Executive Programs, Carol Staab, and Steven Bensinger (BS '76), Member of the NYU Stern Board of Overseers

9. Matthew Beaulieu (MBA '09), Thomas Bridgeforth (MBA '09), Marie Joseph, and Emanuela Frattini Magnusson (MBA '09)

10. Anjali Satyu (MBA '03), Ankan Jain (MBA '11), and NYU Stern Alumni Council members Kris Ann Brady (MBA '10) and James White (MBA '03)

11. Prem Itharat (BS '01, MBA '11), Michael Zarraga, and Sandra Zarraga (BS '00)

12. Alumni enjoyed a festive evening at Christie's.

13. David Dennsteadt (MBA '02), Jessica Dennsteadt, Margaret Amin, Tushar Amin (MBA '02), and Stephen Finocchio (MBA '02)

14. Blake Nolan (MBA '07) and Tara Morley (MBA '12), President of Stern's Luxury & Retail Club



## NYU Stern Haskins Donors Honor Michael R. Bloomberg, Mayor of New York City, and Kenneth G. Langone (MBA '60), President and CEO of Invemed Associates, LLC

Nearly 200 members of NYU Stern's esteemed Haskins Giving Society gathered at the 33rd annual Haskins Award Dinner held at the New York Public Library in April. This event honored businessman, philanthropist, and politician Michael R. Bloomberg, Mayor of New York City, and celebrated the support of the School's most generous and dedicated group of alumni, faculty, and friends.



Michael R. Bloomberg, Mayor of New York City and 2012 Haskins Award Recipient, is joined by Peter Henry, Dean; Martin Lipton (LAW '55), Chairman of NYU Trustees; William R. Berkley (BS '66), Vice Chairman of NYU Trustees and Chairman of the Stern Board of Overseers.

NYU Stern Dean Peter Henry presented Mayor Bloomberg with the Charles Waldo Haskins Award, established in 1980 to recognize outstanding individuals, whose careers, like Stern's founding dean, Charles Waldo Haskins, have been characterized by the high-

est level of achievement in business and public service.

Earlier in the month, more than 100 members of Stern's Young Haskins Giving Society gathered for the inaugural Young Haskins Cocktail Reception, held at The Bowery Hotel, featuring Kenneth G. Langone (MBA '60); Vice Chairman of NYU Trustees, Vice Chairman of the Stern Board of Overseers, and President and CEO of Invemed Associates, LLC.

Visit [www.sternalumni.nyu.edu](http://www.sternalumni.nyu.edu) to learn more about the Haskins Giving Society and to become a member.



Kenneth G. Langone (MBA '60), Vice Chairman of NYU Trustees, Vice Chairman of the Stern Board of Overseers, and President and CEO of Invemed Associates, LLC, addresses Haskins Partners, Haskins Fellows, and Young Haskins Partner Associates at the first annual Young Haskins Cocktail Reception.

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# class notes

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

## 1960s

**Harvey Golub (BS '61)**, of Palm Beach Gardens, FL, has been appointed as Chairman of Miller Buckfire & Co., LLC, an investment banking firm.

**Jeremiah Collins (MBA '69)**, of Denville, NJ, has joined CNY Builders, a Manhattan-based construction and development services organization, as Director of Marketing and Business Development. Previously, Collins served as Vice President at the URS Corporation, an engineering, construction, and technical services company.

## 1970s

**Wayne Tamarelli (MBA '72)**, of Basking Ridge, NJ, is a bicoastal angel investor in early stage technology businesses in the New Jersey and San Francisco Bay areas. He is President of AWT Private Investments, a portfolio of private equity investments, and serves on a number of boards of directors and advisory boards.

**Martin Cooperman (MBA '75)**, of Weston, CT, has been named Managing Partner of Geller & Company, LLC, a leading strategic financial advisory firm. Cooperman, a long-time senior executive at Grant Thornton LLP, will be responsible for Geller's continued leadership in providing high-quality professional services for its clients and the growth of the company's businesses. Cooperman was associated for 35 years with Grant Thornton, a global accounting, tax, and advisory services firm.

**Michael C. Plansky (MBA '75)**, of New York, NY, has been elected to the board of directors of ANN INC., the parent company of Ann Taylor and LOFT. He has 35 years of experience at KPMG LLP, where he served in a variety of senior leadership positions until his retirement in 2010.

**Gerry Gould (MBA '77)**, of Braintree, MA, has been named Vice President of Investor Relations with Haemonetics, a global healthcare company headquartered in Braintree. He previously held the same position at RSC Equipment Rental.

**Steven Barlow (MBA '79)**, of New Canaan, CT, has been named Vice President of Investor Relations with Ebix, Inc., an international supplier of on-demand software and e-commerce services to the insurance industry.

**Gerald L. Hassell (MBA '79)**, of Chappaqua, NY, has been appointed Chairman and Chief Executive Officer of BNY Mellon; he will also continue as BNY Mellon's President.

**Myra Rothfeld (MBA '79)**, of New York, NY, has been named Chief Marketing Officer with Genworth Financial Wealth Management, a subsidiary of Genworth Financial, Inc.

## 1980s

**Mitch Jerine (BS '80)**, of Brooklyn, NY, has been named Director of Dynamics AX Sales with Business & Decision, a global consulting and systems integration company.

**George Handjinicolaou (MBA '78, MPHIL '81)**, of London, England, has been named deputy CEO of the International Swaps and Derivatives Association, Inc. (ISDA) and head of ISDA Europe.

**Sudhi Amarji (MBA '82)**, of Potomac, MD, has been named a representative of the IJIS Institute on the Logical Entity eXchange Specification (LEXS) Governance Task Force, an initiative of the FBI Criminal Justice Information Services Advisory Policy Board. LEXS is a comprehensive, National Information Exchange Model-based framework for the development of information exchanges that was initially

developed for the law enforcement information sharing program at the US Department of Justice; Amarji co-invented the LEXS framework.

**Robert Glasser (MBA '82)**, of Sands Point, NY, has been named a partner in the New York office of Dempsey Partners, a forensic accounting, claims, and risk consulting firm; he has also been named leader of the firm's US East Coast property and business interruption claims practice.

**Medel T. Nera (MBA '82)**, of Quezon City, Philippines, has been named President and CEO of House of Investments, the investment holding and management company of the Yuchengco Group of Companies.

**Rodolfo Archbold (MBA '83)**, of Acton, MA, has been named Vice President and General Manager of Global Operations with Luminus Devices, Inc.

**Kenneth Arthur (MBA '83)**, of New York, NY, married Peter James Hagan, III, on Monday, October 3, 2011, at the Manhattan Marriage Bureau. Arthur is the producing director of TheatreworksUSA, a children's theater company in Manhattan.

**Kevin Bannon (MBA '83)**, of Mount Kisco, NY, has been named President of the Board of Directors of the Boys & Girls Club of Northern Westchester. Bannon also serves on the boards of The Hundred Year Association of New York and the S.K. Yee Foundation.

**Takahiro Morita (MBA '83)**, of Kobe, Japan, has been named Regional Director for Japan with the World Gold Council, the market development organization for the gold industry. He joined the World Gold Council in September 2010 and has more than 25 years of experience in financial markets.

**Alison Denis (MBA '85)**, of Princeton, NJ, has joined Liberty Life Insurance Company, a subsidiary of Athene Holding

Ltd., as Director of Marketing. She will oversee brand management, advertising, and communications for Athene's expanding retail annuity business.

**Carl Koivuniemi (MBA '85)**, of New York, NY, and Paul T. Burkhart, Jr. were married on July 26, 2011, at the Town Hall in Southampton. Koivuniemi retired as the Deputy Chief Planning and Budget Officer of the Metropolitan Museum of Art in New York.

**John Fry (MBA '86)**, of Lancaster, PA, was elected to the Board of Trustees of Lafayette College. He is also the 14th president of Drexel University, and has served in higher education for his entire professional life.

**Salvatore Guccione (MBA '87)**, of Fairfield, NJ, has been named President and COO of Aceto Corporation. He joined the company's board in May 2011.

**Spencer Hagan (MBA '87)**, of Port Washington, NY, has joined Barclays Capital as a Managing Director and Head of CMBS Credit and Underwriting.

**John Kritzmacher (MBA '87)**, of Far Hills, NJ, joined the board of directors of Duff & Phelps Corporation, an independent provider of financial advisory and investment banking services.

**Nihar Patel (BA '87)**, of Dearborn, MI, has been named Vice President of Business Strategy with Toyota Motor Sales. With more than 22 years experience in the automotive industry, Patel was most recently Managing Director of Marketing Operations, Public Affairs, and Supply Chain at a Toyota Affiliate in Saudi Arabia.

**Al Sapienza (BS '87)**, of West Hollywood, CA, starred in a new Lifetime Network movie, "Secrets From Her Past."

## A Long-term View

**Yulun Wang (BS '87)**, of New York, NY, married Elyssa East on July 23, 2011. Wang is a Partner and an Executive Producer at Pi Recordings, a jazz record label in New York. He is also a Director of University Community Social Services, an organization in New York that helps homeless people and others in need.

**David Perlin (BS '83, MBA '88)**, of Chappaqua, NY, has been named a Managing Director on the international equities desk with BTIG LLC, a global financial services firm that specializes in institutional trading and related brokerage services. He will serve as BTIG's head of international sales trading for the Americas.

**Neil Wolfson (BS '85, MBA '89)**, of Saddle River, NJ, has been named to the Board of Directors of On Deck Capital Group, a New York-based private investment firm. He is President of SF Capital Group, a private investment firm.

### 1990s

**Alan Cohen (MBA '90)**, of Pleasanton, CA, has been named Vice President of Marketing for Enterprise and Public Sector of Cisco Systems. Mr. Cohen has more than 20 years experience in tech marketing and product management.

**Ivan Gruhl (MBA '90)**, of Dubuque, IA, has joined Honkamp Krueger Financial Services Inc. as Vice President of Fixed Income Strategist. He has more than 25 years experience in the investment markets, specializing in the fixed income area.

**J. Kent Masters (MBA '90)**, of Murray Hill, NJ, has been named CEO of Foster Wheeler AG. He also serves on the Board of Directors of Rockwood Holdings, a manufacturer of chemicals and advanced materials based in Princeton.

**Erik Prusch (MBA '90)**, of Kirkland, WA, has been promoted to President and CEO of Clearwire Corporation, a provider of 4G wireless broadband services and the largest wholesale operator in the United States.

Less than five years after graduating from NYU Stern, Maggie Arvedlund's star is rising. She was recently promoted to Managing Director at her firm, Fortress Investment Group, and that is just the beginning.

In business and in life, Arvedlund instinctively focuses her sights on the distant horizon. "I always knew that I would end up working in the investment business, but was not sure in what capacity. In part, it was my exposure, both early in my career and while at Stern, to firms with world-class resources and research capabilities that inspired me to pursue a career in private equity."

Arvedlund began her investment career in San Francisco at global investment advisory firm Hall Capital Partners, in the portfolio management and later the private equity investment practice. As an analyst, Arvedlund learned about asset allocation, portfolio construction, and the role of alternatives in investment portfolios. She later shifted into private equity investment management, identifying and evaluating private equity investment opportunities on behalf of advisory clients, and discretionary fund vehicles. That experience was her first full-time exposure to world-class research, asset management, and direct investing.

With a solid foundation in alternative assets, Arvedlund realized it was time to pursue graduate studies. Stern's core finance and accounting curriculum, supplemented with real-world application, provided the practical fundamentals, while she studied with luminaries such as Professors Aswath Damodaran, Ed Altman, and Lasse Pedersen, among others. "Stern afforded me the opportunity to broaden my experience by working on the Michael Price Student Investment Fund, seeding new businesses with classmates, taking an active role in student leadership, and connecting with first-class corporations and institutions," she said. "Stern brought Wall Street to campus."

Today, as a portfolio manager of private equity in an endowment-style vehicle within Fortress, a diversified global investment management firm based in New York, Arvedlund contemplates the journey ahead. "In terms of my career, I'm at the beginning of a long road," she says. Investment-wise, she has adopted a long-term view as well, describing her value-based investment philosophy as "a willingness to accept a certain level of illiquidity, while capitalizing on market dislocations."

Arvedlund's foresight has earned her a reputation as a leader in investment management and academic arenas alike. Recently, she was invited by Stern's Dean, Peter Henry, to chair the newly formed Stern Private Equity Advisory Board, which works in coordination with the Stern Private Equity Club. Crediting her career success in part to inspiring industry and academic mentors, Arvedlund is committed to help build a program at Stern that serves as a "connector" for students who seek to be better prepared for private equity careers and alumni who work in that field.

"The Stern community is a brain trust of really smart and motivated people – a large constituency of professionals who I know would love to give back," Arvedlund said. "Stern Private Equity has the potential to serve as a channel for these folks and, with a little cultivation, could prove to be a truly valuable long-term asset for the School."

*To learn more about The Stern Private Equity Club and how you can become involved, e-mail [spec@stern.nyu.edu](mailto:spec@stern.nyu.edu).*



**Maggie Arvedlund (MBA '07)**

## The Gift of Education

As the Managing Director and Founder of T.A.G. Partners LLC, Bernie Beiser reflects on his career path as one that began with a solid foundation in education. The scholarship, structure, and support of his educational pursuits and life experiences have led to his success, and that in turn has fueled his determination to give back.

Growing up in the northernmost borough of New York City, Beiser attended the Bronx High School of Science, where he was surrounded by like-minded, motivated students. “It was an intellectual feeding ground for really smart, middle-class kids from around New York,” he recalled. “This was where my leadership training began.”

Transitioning from high school to college, it never entered Beiser’s mind to leave New York. His father, an accomplished accounting professional, had graduated from NYU in 1932 and had given Beiser a glimpse of what could be achieved with hard work and a good education. Following in his father’s footsteps, while building on his own secondary-school inclinations, Beiser enrolled in the business school at NYU, then named the School of Commerce.

With wide eyes and determination, Beiser and his classmates commuted each day to NYU from the Bronx. “At first, we carpooled down to school each day in an old Buick,” reminisced Beiser, “then, the subway.” At school, it was the accounting professors who piqued Beiser’s interest and he began to understand in which direction his business education might lead.

After graduating in 1962, Beiser enlisted in the US Marine Corps and remained active in the reserves through 1968. “My enlisted time provided structure and was a continuation of my leadership training, giving me a heightened sense of camaraderie as well. Even today, I still keep in touch with some of the other Marines whom I met at boot camp at Parris Island.”

In 1966, Beiser’s path veered toward the corporate track, when he started at Arthur Young & Co. in the tax department of its New York Office. A few years later, he transferred to the firm’s national office tax group. During this time, Beiser enrolled in graduate courses at Stern.

As Beiser’s managerial responsibilities grew, he transferred to California in 1974 to form and head Arthur Young’s international tax group. In this capacity, he traveled throughout the world advising high-net-worth individuals and multinational corporations. In 1977, Beiser was promoted to partner and director of international tax for the western region. Contemplating the next step in his journey, Beiser resigned from Arthur Young to form T.A.G. in 1983.

During his career at T.A.G., Beiser negotiated transactions including acquiring or creating operating companies, forming investment companies, and developing executive employment agreements. In structuring these transactions, he has used the extensive and diversified tax, accounting, and financial expertise developed in the 34 years he practiced in New York, Los Angeles, and throughout the world.

Given all of his accomplishments, Beiser remains grounded in his academic beginnings. Drawing on his time at Bronx Science and Stern, he recently partnered with Stern to establish the Beiser Scholars Program, supporting graduating high school students who demonstrate a particular interest in the quantitative sciences and a determination to succeed in business and in life.



**Bernie Beiser (BS '62)**

**William Zerella (MBA '90)**, of Los Gatos, CA, has been named CFO of Vocera Communications, Inc., a company that provides mobile communications solutions for hospitals.

**Thomas M. Boehlert (MBA '91)**, of Toronto, Ontario, has been named President and CEO of First Nickel Inc., a Canadian mining and exploration company.

**Philip Dougall (MBA '91)**, of Spring Lake, NJ, has been named a partner with Kelso Place Asset Management LLP; he will be based in London.

**Scott Littlejohn (MBA '92)**, of New Providence, NJ, has been named Managing Director & Head of US Insurance Investment Banking with BMO Capital Markets, the investment and corporate banking arm of BMO Financial Group.

**Arun Dhingra (MBA '93)**, of Dallas, TX, has been named leader of the financial officers practice at Egon Zehnder International, the largest privately-held executive search firm in the world.

**John Kahan (MBA '93)**, of Mercer Island, WA, has joined the Board of Directors of 33Across, a social targeting platform. He is General Manager of Business and Customer Intelligence for Microsoft’s online services division.

**Bruce King (MBA '93)**, of Novato, CA, has been named Director of Finance, Operations, and Technology with Belcorp International, Ltd., a private, multi-brand, international corporation with experience in developing and selling products in skin care, fragrance, makeup, body care, and hair care.

**Stephen Parish (MBA '93)**, of Chappaqua, NY, has been named Managing Director of Equity Capital Markets with Dahlman Rose Company, LLC, an investment bank specializing in the global natural resources supply chain.

**Bryan Spielman (MBA '93)**, of New York, NY, has been named Executive Vice President of Strategy and Corporate Development with Medidata Solutions, a

global provider of SaaS-based clinical development solutions.

**Sean Curley (MBA '94)**, of Sherman Oaks, CA, has been named Senior Vice President and Product Specialist at Genworth Financial Asset Management.

**John Galioto (MBA '94)**, of Kings Park, NY, has been appointed as Executive Vice President, Consulting Americas, of Emergn, a global services consultancy.

**Tim Kinsella (MBA '94)**, of Metuchen, NJ, has been named a Vice President and Business Development Executive with PowerGuard Specialty Insurance Services, a managing general agent and Lloyds cover holder specializing in unique insurance and risk management solutions for the wind and solar energy industries.

**Alexandra Kostakis (MBA '95)**, of Syracuse, NY, has joined the faculty of the Whitman School of Management at Syracuse University as an Assistant Professor of Entrepreneurial Practice. She is a founding partner of the Student Storage Company Inc., located in Syracuse, which provides moving and storage services to college students nationwide. She is also a founding partner of Hellinis Imports Co., an import wholesale company marketing to the Greek-American consumer market.

**Cronin McTigue (MBA '95)**, of Princeton Junction, NJ, has joined Wells Fargo Securities as Head of Liquid Products Sales & Trading in Wells Fargo Securities' Fixed Income group. Based in Charlotte, McTigue will focus on developing trading and distribution capabilities in liquid products, such as treasuries, swaps, and options, for the firm's institutional investing clients.

**John Trizzino (MBA '95)**, of Darnestown, MD, has been named CEO of Immuno-vaccine Inc., a Halifax, Nova Scotia-based vaccine development company. Trizzino has also been appointed to the Board of Directors of the Corporation.

**Rich Alfano (MBA '96)**, of New York, NY, has been named Senior Vice President of Business Development with EVA

## Burning Bridges to Build Value



**Ajay Poddar (MBA '92)**

"This is the only time that I will suggest to burn the bridge behind you so that you do not go back," said Ajay Poddar, Co-founder and Executive Vice President of Artech Information Systems, when asked what advice he would give burgeoning entrepreneurs. "There will be times when you want to give up; it is easier to persevere when you cannot turn back."

Sound advice coming from an entrepreneur who left a promising corporate career in technology research to build an IT staffing company in the midst of a recession. Fortunately, Poddar's strategy produced remarkable results. Artech, with more than 6,000 associates globally, is on track for double-digit growth, eclipsing \$500 million in revenue this year.

More than 20 years ago, while working at Bell Labs, Poddar enrolled in the part-time MBA program at NYU Stern. As a student, he quickly recognized the potential interrelation of technology and business and left Bell Labs to immerse himself in Stern's full-time MBA program.

"My Stern education was a true catalyst in my determination to start something on my own. It gave me the confidence to combine my technology expertise with my newly acquired business knowledge to create an entrepreneurial enterprise," he said.

In 1992, as a freshly minted Stern MBA, Poddar launched Artech and in less than 12 months, he had secured his first contract. Artech has experienced positive growth every year since then. Initially focusing on the technology and telecommunications markets, Artech has diversified to serve a range of industries, including government, energy and utilities, pharmaceuticals and healthcare, banking, and financial services and insurance.

International expansion came in the early 2000s, when IT staffing services were virtually nonexistent in India. Poddar decided to take his business to this environment in order to preempt the expected downturn of the US technology industry. With risk came reward, shielding Artech from industry fallout and creating an infrastructure that would eventually support a team of more than 1,500 in India and a model to spawn growth in China.

Artech currently works with over 50 Fortune 500 clients to deliver comprehensive staffing solutions in the US and in emerging markets. The company's client-centric culture, focus on infrastructure, and investment in innovative technologies differentiates it in a mature and highly competitive marketplace. However, Poddar continuously seeks to enhance every aspect of the company's service delivery processes, to ensure stability and growth.

While considering new opportunities to grow Artech, Poddar's Stern experience came full circle last summer with his matriculation in an executive education valuation course taught by Professor Aswath Damodaran. Poddar first met Damodaran while enrolled in his corporate finance class as an MBA student, and they have kept in touch over the years. "There's not a single day that I don't think about that course and the knowledge that I gained from it," Poddar said.

Poddar also places a high value on philanthropy. He has made significant investments in child welfare and women's empowerment programs, creating a technology center in a leading all-women university in Rajasthan, India, that provides education and employment to women who want to assume leadership positions in their communities.

"It's been fun to help develop an industry in India and fulfilling to build a team in the US," he said, "but being successful doesn't mean anything unless you are sharing with others."

Dimensions. EVA Dimensions, LLC, provides corporate value-based management, benchmarking analysis, and business valuation software and services for private and public corporations, professional service providers, and the investment community.

**Nick Katsanos (BS '96)**, of New York, NY, has been elected Counsel to the firm Seward & Kissel LLP's Business Transactions Group.

**Jason Kupferberg (MBA '96)**, of New York, NY, has been named a Senior Equity Research Analyst for the computer services and IT consulting sectors with Jefferies.

**John A. MacPhee (MBA '96)**, of Ridgewood, NJ, has been named Executive Director of the Jed Foundation, which works to reduce emotional distress and prevent suicide among college students.

**Edward D. Reiskin (MBA '96)**, of San Francisco, CA, has been named Director of Transportation of the San Francisco Municipal Transportation Agency.

**Matthew Silpe (MBA '96)**, of New York, NY, has been appointed to White Smile Global Inc.'s Board of Directors.

**Charles Clerecuzio (MBA '97)**, of Woolwich, NJ, has been named Chief Operating Officer of Conshohocken, PA-based BARD Holding, Inc.

**Gennaro D'Agostino (BS '93, MBA '98)**, of Roseland, NJ, has joined Meridian Investments, Inc.'s newly formed company, Meridian Asset Finance, LLC. Previously, he was responsible for structured and equity related investments and advisory services made and offered by Deutsche Bank Securities' asset finance and leasing group in the Americas, with a particular focus on alternative energy.

**Monique Fayad (MBA '98)**, of Larchmont, NY, has been named as Senior Vice President of Strategy and Corporate Development and a member of its senior management team. She will leverage her 18+ years experience in business development, healthcare publishing, and electronic information

## A New York Edge

David Nagel's parents believed that living in New York would build character, breed independence, and instill leadership. That's why they sent him and his three siblings to college across the country.

Nagel was born and raised in Los Angeles, a place he refers to as "a big city that does not feel big" in comparison to New York, where "people are walking the streets, taking public transportation, and living in a busy environment."

With his parents' encouragement, he set out for New York, and NYU Stern, more than 30 years ago, to pursue an education in business management. At that point, Nagel knew that he wanted to join the family real estate and construction business someday, but lacked the tools necessary to follow his dream and help the company grow.

"New York gave me a business edge I couldn't get in Los Angeles," explained Nagel. "Stern gave me a deep understanding of how businesses can be managed, a more global perspective, and the preparation to handle the challenges ahead."

Soon after graduating from Stern in 1981, Nagel put his newfound advantage to work back in California, gaining first hand knowledge as a construction job superintendent for a multi-family condominium project, and thereafter as a project manager for a suburban office building. He then focused his efforts on the overall real estate business, leading each of its various divisions, immersing himself in the management, operations, and structuring of countless real estate deals.

The Nagel Construction Company (now Decron Properties Corp.) was founded in 1955 by his father, Jack M. Nagel, a Holocaust survivor and still-active company chairman. In his own pursuit of the American dream, Nagel's father worked tirelessly to build a successful home development company, but it lacked the organizational structure needed to go to the next level.

Assuming the position of President and CEO of Decron Properties Corp. in 1988, Nagel has built upon his father's accomplishments, transforming the family business from a predominantly for-sale housing company to a diversified real estate investment company, thereby creating a legacy of his own. Decron Properties has grown from five properties and 15 employees to more than 55 properties and 200 employees today; the company develops, owns, and operates multi-family apartments, office buildings, shopping centers, and marinas, including more than seven million square feet of real estate, with three future development projects on the horizon.

Nagel described his business outlook, referencing his Stern experience and a familiar East Coast persona: "Business is about work ethic, being thorough, and being confident, and no one is more confident than a New Yorker."

The Nagel family "LA-to-New York" philosophy spans the generations, as Nagel, just this past summer, sent his eldest daughter to embark on her own New York journey as a freshman at NYU. Nagel admits that it may be too early to speculate whether his daughter or two younger sons will follow in his footsteps, but he is optimistic about the possibility.

"Being an entrepreneur is the ultimate 'high.' There is nothing in business that feels better than building something that is your own."



David Nagel (BS '81)



delivery to oversee strategic initiatives and head the Company's new business development and merger/acquisition activities.

**Claus Friis (BS '98)**, of New York, NY, was featured as one of *Treasury & Risk's* "40 under 40 treasury and finance stars." As CFO of CIT Vendor Finance since January, Friis has grown the business and diversified its funding model.

**Maureen Genna (MBA '98)**, of Wantagh, NY, has been named Vice President of Operations with Sperry Associates Federal Credit Union.

**Jeremy Bye (MBA '99)**, of Chesapeake, VA, has been named Vice President of Wholesale and National Accounts with Cox Business, a division of Cox Communications, a broadband communications and entertainment company and the third-largest US cable TV company.

**David Hernandez (MBA '99)**, of Boca Raton, FL, was named to Latino Leaders' 2011 list of the most influential leaders in the Latino community. He co-founded Liberty Power, the only minority-owned electric retail provider.

**Mayank Patel (MBA '99)**, of Weehawken, NJ, has joined BTIG as a Managing Director of Convertible Sales.

**Bret Scholtes (MBA '99)**, of Bellaire, TX, has been named CEO and President of Omega Protein Corporation, a nutritional ingredient company and producer of omega-3 fish oil and specialty fish meal products.

## 2000s

**Mayumi Kawashima (BS '01)**, of Laguna Beach, CA, married Darius Graves Kharabi on July 30, 2011, at Bel Air Presbyterian Church in Los Angeles. She is studying for a master's in nursing at the University of California, Los Angeles.

**Stephen Mazza (MBA '01)**, of New York, NY, and Richard Patrick Palermo were married August 20, 2011, in New York. Mazza is a Finance Director at American Express in New York.

**Sreena Vaman (BS '01)**, of Santa Monica, CA, is the Co-founder of an online fashion industry start-up, SariCloset.com.

**Ken Avalos (MBA '02)**, of St. Petersburg, FL, has joined Raymond James Ltd., the Canadian arm of North American investment dealer Raymond James Financial, as a Senior Real Estate Analyst; he will lead its Canadian real estate research coverage.

**Anna Andreeva (MBA '03)**, of New York, NY, has joined FBR & Co., a Washington, D.C.-based investment bank serving the middle market as Senior Vice President and Senior Research Analyst in the consumer equity research group.

**Biren Amin (MBA '04)**, of Holmdel, NJ, has been named a Managing Director and Senior Equity Research Analyst covering biotechnology companies at Jefferies.

**Daphne Yan Huang (BS '04)**, of New York, NY, has been named Chief Financial Officer of Lihua International, Inc., a Chinese developer, designer, and manufacturer of low-cost, high-quality alternatives to pure copper products.

**Jonathan Di Giambattista (MBA '05)**, of Brooklyn, NY, is Vice President of Product Management for the global markets analytics group at Opera Solutions, LLC, a global firm that applies advanced analytics to address organizational big data challenges.

**Leslie Miller (BS '05)**, of Brooklyn, NY, married Benjamin Perry Wellington on October 1, 2011, at the Hallockville Museum Farm in Riverhead. She is a Planning Fellow at the Pratt Center for Community Development; and is also studying, in a joint-degree program, for a law degree at Brooklyn Law School and a master's degree in urban planning at Pratt.

**Paul L. Peterson (MBA '05)**, of Florham Park, NJ, has been named Managing Partner of Wiss & Co. LLP, a regional accounting firm that has served the New Jersey/New York metropolitan area since 1969.

**Yin Woon Rani (MBA '05)**, of Jackson Heights, NY, has been hired by Universal McCann to run its North American division as President.

**Lauren Davidson (MBA '06)**, of New York, NY, married David Bernard Sachs on October 15, 2011, at the St. Regis Hotel in New York. She is an Associate Director at Newmark Knight Frank, the New York commercial real estate brokerage.

**Hee Yoon (MBA '06)**, of New York, NY, has joined Rabobank as Vice President and Senior Financial Analyst in the credit risk management team, and will provide credit risk support for the REIF Americas business.

**David Katz (MBA '07)**, of New York, NY, was recently promoted at Starz Digital Media to the position of Vice President, Digital Media.

**Anthony Quagliata (MBA '08)**, of Long Island City, NY, has been named to the role of Director, Sales and Marketing, by AlphaDetail, Inc., a full-service primary market research firm, with a particular emphasis in large and complex quantitative studies for the global healthcare community.

**Jonathan Hill (MBA '09)**, of Coral Gables, FL, has been named an investment strategy specialist with Gibraltar Private Bank & Trust.

**Olaitan Gambari (MBA '10)**, of New York, NY, married Sylvia Ester Simson on October 15, 2011, at the Metropolitan Club in New York. Gambari is an Associate in the investment banking unit at Barclays.

**Jonathan O'Donnell (MBA '10)**, of New York, NY, and Judge Robert Michael Mandelbaum were married August 14, 2011. O'Donnell works in New York as a Senior Tax Counsel at Chartis Insurance, the property and casualty insurance unit of American International Group.

**Brian Centner (MBA '11)**, of New York, NY, has been named CFO of CMF.

**Christopher Isaac (BS '11)**, of Flemington, NJ, has joined the investment team with Level Growth Equity Partners I, the fund from New York-based investor Level Equity.

## In Memoriam

**Hector Anton, Professor Emeritus of Accounting**

**Charlotte Pearl Rubens Bloomberg (BS '29)**

**Daniel Diamond (PhD '58),  
Dean of NYU Stern Undergraduate College (1985-1995)**

**Nancy Ho (BS '08)**

**Joseph R. Lasser (MBA '51)**

**Joseph A. Mauriello, Professor Emeritus of Accounting**

**William F. May, Dean of NYU Stern (1980-1984)**

**Armen Gregory Sarkisian (MBA '78)**

**Henry Taub (BS '47)**



# PAST PERFORMANCE

## The Glory of His Time Larry Ritter's Contribution to Stern (and Baseball)

By Marilyn Harris

A popular book and recent movie about sabermetrics have cast a spotlight on baseball and economics. But how many people remember that NYU Stern could lay claim to its very own nexus of these two subjects, in the person of the late Lawrence S. Ritter, former chair of the finance department? Ritter was also the author of one of the best books ever written about America's favorite pastime.

For Ritter, a trained economist who had worked at the Federal Reserve Bank of New York prior to joining Stern in 1960, the history of baseball was an avocation he loved dearly. Over four summers, he and his son tracked down elderly players from the early days of baseball and recorded their oral histories. The resulting book, *The Glory of Their Times: The Story of the Early Days of Baseball Told by the Men Who Played It* (Macmillan, 1966), garnered the highest critical praise, the front-page review of the Sunday *New York Times* Book Review, and selection by the Book of the Month Club. Even today, it gets 94 mostly glowing customer reviews on Amazon.

But as great a mark as Ritter left with his sports books – and there were more than a half-dozen, often nostalgic in nature – he was equally accomplished in his profession. As a finance writer, his trade books and textbooks were standards. *Principles of Money, Banking, and Financial Markets*, which Ritter co-authored with his colleague William L. Silber, the current Marcus Nadler Professor of Finance and Economics, went through 12 editions and was a best-selling textbook from 1973 to 1993. Ritter's and Silber's well-reviewed trade book, *Money*, was published in five editions. A shy man who had once wanted to be journalist, Ritter was a graceful writer, recalls Silber. "He published work that was good as well as accessible.

Whatever writing skills I have, I learned from him."

### Building a Finance Team

As finance chair at Stern (at that time called the NYU Graduate School of Business Administration), Ritter was responsible for transforming what had been a stable of independent individuals, some with national reputations, into one of the country's preeminent research and teaching departments.

With a doctorate from the University of Wisconsin and prior teaching appointments under his belt, he arrived at Stern after a stint as chief of the New York Fed's domestic research division. Marcus Nadler Professor Emeritus of Economics and Finance Robert Kavesh recalled recruiting Ritter to join the faculty; by 1962, they were both department chairs and good friends. "Larry was pleased to have left the Fed and have the opportunity to do his own writing," said Kavesh. "He built a great department. He made brilliant hires and let it be known he wanted the faculty to make contributions to the field as well as care about the students, rather than spend time consulting and making a lot of money."

Ritter understood that the way to build a department was to focus on academic research. He himself was president of the American Finance Association and editor of the *Journal of Finance*. At Stern, he hired young academics and shielded them from administrative responsibilities, at least until they had made their mark and achieved tenure. Explained Silber, "He was very clear about allowing new hires to concentrate on research that would get published and that would make and add to the reputation of the



Lawrence Ritter, former professor and chair of the finance department, in front of Nichols Hall in 1969, was a noted baseball historian.

finance department."

### Teaching by Example

Ritter's colleagues recalled him as a man of the highest ethical standards, with a well tuned moral compass. As an example, for 20 years he distributed royalties from *The Glory of Their Times* to the old-timers whose stories it told and their survivors.

At Stern, Ritter made sure that teaching obligations were taken seriously. Classes were never to be skipped, and, according to Kavesh, Ritter was more than willing to get tough with those who weren't living up to their classroom responsibilities.

To solidify the gains made by his finance department, Ritter considered promotion and tenure the single most important activity after research and teaching. "There was no excuse for missing one of those meetings," said Silber. "That's how you build the culture of the department and institutional respect."

Ritter, the lifelong Yankee fan who built one of the strongest finance franchises in higher education, retired from Stern in 1991 and died in 2004 at age 81.

Today Stern's finance department is ranked among the top few in the country. Those who worked with Ritter credit him for that accomplishment. As Silber put it, "He established our culture of excellence in academic research and institutional loyalty." ■

MARILYN HARRIS is editor of STERNbusiness.



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