

## The Director's View

George J. Papaioannou, Ph.D.

### On Financial Literacy

Let's think for a moment of some underlying common factors for the following: subprime mortgage crisis, inadequate savings for retirement, low insurance coverage, uneven wealth distribution, underdeveloped capital markets. **How many would propose financial literacy, or rather lack of it, as a possible explanation?** And yet financial literacy and education have started to gather increasing attention as significant factors for a nation's financial well-being.

There are notable examples of this interest. The U.S. Congress passed The Financial Literacy and Education Improvement Act in 2003 and established the Financial Literacy and Education Commission under the aegis of the Treasury Department with the collaboration of 19 federal agencies. The Organization of Economic Cooperation and Development launched its financial literacy project in 2005 by conducting international surveys and completing guidelines for good practices in financial education. The 2006 G-8 conference in Moscow also gave priority to the cause of financial literacy.

**The sudden interest and urgency concerning financial literacy are driven by several realizations:**

- ▶ According to former Federal Reserve System Chairman Alan Greenspan, the financial world has become a lot more complex than one generation ago.
- ▶ Surveys have shown that there are serious gaps in the financial literacy of citizens, including those of industrialized countries.
- ▶ Research has shown that improvements in financial literacy have beneficial effects on the financial well-being of people, particularly those with limited financial means and education.
- ▶ Financial literacy impacts all stakeholders of the financial system, from investors to institutions and policy makers.

**Financial literacy can be defined as how cognizant people are of the various financial needs during their life cycle and the ability to make reasonable and informed choices to meet these needs.** The statistics are not encouraging on either front. For example, more

than a third of Americans have not saved at all or have saved inadequately for retirement. In other countries, insurance coverage against grave risks is perilously low. Even when people are familiar with their financial needs, they lack the ability to seek the appropriate information or process it correctly. Thus, broad segments of the population lack a proper understanding of the concepts of risk diversification and compounding interest rate, or are unfamiliar with the long-term yields of different asset classes. Surveys have also shown that even more detrimental than ignorance is the overconfidence large fractions of the public have about their financial knowledge.

**Improving a nation's financial literacy can have important and multifaceted beneficial effects such as:**

- ▶ Raising the savings rate and preparing individuals better for retirement.
- ▶ Allowing persons of limited means to manage their savings to produce greater returns, thus, reducing inequalities in wealth.
- ▶ Improving financial sophistication that can make a nation's capital markets more hospitable to financial innovation and development.
- ▶ Improving resource allocation through more efficient pricing of an economy's assets.
- ▶ Compelling financial institutions to behave in a more responsible way and avoid dubious practices by relying on the public's ignorance or lack of understanding.
- ▶ Reducing the cost of information intermediation as savers and investors have higher levels of financial understanding.
- ▶ Reducing the need and the accompanying cost of more expansive regulation, as individuals become more informed and sophisticated financial consumers.

**To reduce financial illiteracy, national authorities, financial institutions and educational systems need to raise their level of awareness about its pervasive costs and start to implement systematic programs of financial education.** In this regard, anecdotal evidence and research findings appear to be encouraging. For example, delinquency rates for consumer debt fall when individuals attend financial education seminars.

### In This Issue ...

- |     |   |
|-----|---|
| 1   | <b>The Director's View</b>  |
| 2   | <b>Mark Your Calendar: Exchange Listings Conference</b>                             |
| 3-4 | <b>The Japanese Economy: An Analysis of Recent Performance and Future Prospects</b> |
| 4   | <b>NYMEX Competition</b>  |
| 5-6 | <b>Private Equity Conference</b>  |
| 7   | <b>Distinguished Scholars Series</b>  |
| 7   | <b>Spotlight on Research</b>  |
| 8   | <b>Activities Report</b>  |

### The Merrill Lynch Center Mission Statement:

*Established to promote and facilitate faculty and student study in the field of international financial services and markets and to communicate knowledge to the academic and business communities.*

Similarly, financial education contributes to greater usage of more complex financial products and better wealth management results. These effects are especially visible in the case of individuals of low means and limited education.

As with other areas of education, enabling people to build successful and stable financial lives can have wider implications regarding social cohesion, better health care, and better living conditions for individuals, families and society at large. **The rising frequency with which we hear about financial literacy and the involvement of higher layers of governmental and private stakeholders embracing this cause suggest that financial literacy and education will finally receive the widespread attention they deserve.**



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## MARK YOUR CALENDAR

**Monday, May 5, 2008**

MERRILL LYNCH CENTER FOR THE STUDY OF  
INTERNATIONAL FINANCIAL SERVICES AND MARKETS

OF THE

FRANK G. ZARB SCHOOL OF BUSINESS

*presents a*

*Full-Day Conference on*

## Exchange Listings and Competition

Visit our Web site at [www.hofstra.edu/MLC](http://www.hofstra.edu/MLC) for details regarding the conference, including the panelists from academia and business, and registration information.

## Research Support Provided by Merrill Lynch Center

To fulfill its mission to promote and facilitate faculty and student study in the field of international financial services and markets, the Merrill Lynch Center continues to provide research support to faculty and students. This year, we are proud to report that, with the support of the Dean's Office of the Frank G. Zarb School of Business, the following grants for occasional papers were awarded:

**Dr. James Neelankavil**, Department of Marketing and International Business,  
Zarb School of Business

**Topic: U.S.-China Trade Deficit: Root Causes, Impact on Global Business, and Major Policy Issues**

**Dr. K.G. Viswanathan**, Department of Finance, Zarb School of Business

**Topic: Cross-Listing by Firms From Developing Countries**

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# The Japanese Economy: An Analysis of Recent Performance and Future Prospects

by Kenjiro Nagasaka

Kenjiro Nagasaka is currently chairman of Banyu Pharmaceutical Co., Ltd., and serves on the business advisory board of The Merrill Lynch Center. At Banyu, he has also held the positions of senior executive director, executive vice president, president and CEO. Prior to joining Banyu in 1989, Mr. Nagasaka was head of bank supervision at the Bank of Japan, where he began his career in 1959. Mr. Nagasaka served as chairman of both the Japan Economic Research Institute and the U.S. Educational Commission Alumni Association of Japan. Additionally, he was a member of the Business and Industry Advisory Committee of the OECD. Mr. Nagasaka graduated from the Faculty of Law of the University of Tokyo.

## Preface

In October 1998 I had the privilege of speaking about the “Japanese Economy and Its Role in the Global Economy” as part of a conference on *Financial Services in the Evolving Global Marketplace* sponsored by the Merrill Lynch Center of the Frank G. Zarb School of Business at Hofstra University. Almost a decade since then, the economy of Japan, which remained in the doldrums for more than 10 years after the 1991 economic bubble burst, has been showing signs of slow but steady recovery. At the same time, however, the birth rate has been dropping and the Japanese population has been aging much faster than in any other advanced country of the world. Consequently, the total population has begun to decline after reaching a peak in 2004.

In the discussion that follows, I will describe the course of the Japanese economy over the recent decade and its future outlook.

## Real Economy

**The economy of Japan did not recover rapidly enough from the aftermath of the early 1990s bubble burst and faltered along for quite some time. It was the first time since World War II that Japan experienced such a prolonged period of economic stagnancy.**



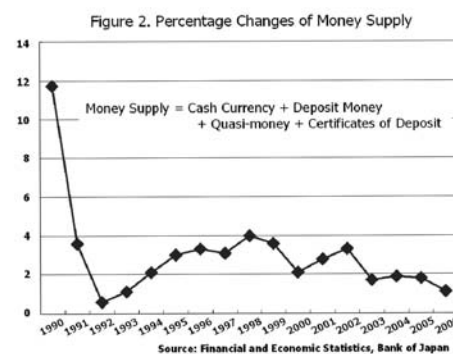
Real GDP growth rates have been volatile during the past decade. Figure 1 illustrates the real GDP growth rate for five-year periods from 1987-2006. In the booming 1987-1991 fiscal year (FY) period (April-March), the rate rose to an average of +4.7%, but fell sharply to +1.8% in FY 1992-1996, reflecting the bubble burst. In the 1997-2001 period, real GDP growth further dropped to a low of +0.2% mainly due to the 2% increase in the consumption tax rate in 1997. In the 2002-2006 period, it finally lifted from the bottom to +1.9%. However, personal consumption, which should act as a dynamic propeller of economic growth, still lacks vigor. Public spending is curtailed due to pervasive financial constraint. From a long-term perspective, the Japanese economy has undeniably entered a recovery phase. However, a steep upswing is not expected in the near future.

## Official Aid to Financial Institutions

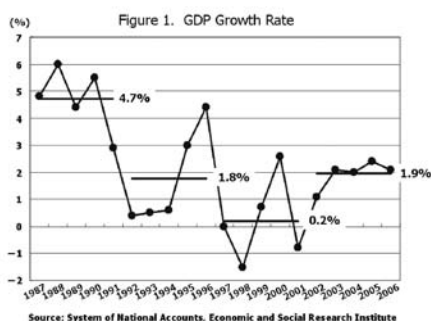
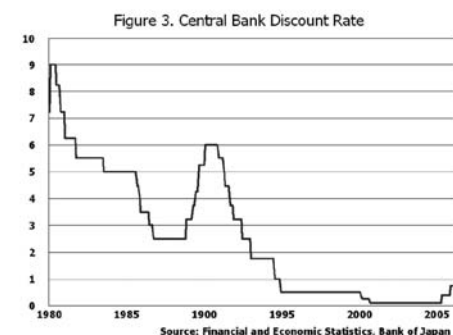
**After the bubble burst, Japanese financial institutions were struggling with a swelling volume of nonperforming loans.** Consequently, their profits plummeted and some institutions became insolvent. Without exception, Japanese financial institutions became extremely cautious in their lending practices, creating a heavy drag on a potential economic upturn. Under these circumstances, the Japanese government extended special emergency loans totaling approximately 35 trillion yen (\$290 billion; \$1 = ¥120) in installments over the 1998-2003 period. Thereafter, the aggregate amount of nonperforming bank loans gradually shrank, and nearly 10 trillion yen (\$80 billion) of the government's special loans was repaid by the end of March 2007. The potential threat to the economy posed by these nonperforming bank loans was temporarily averted.

## Low Interest Rates and a Weak Japanese Yen

Since 1991, the growth of the money supply remained extraordinarily slow. (Figure 2). As Figure 3 illustrates, the Bank of Japan had no



choice but to continue an ultra-low interest rate policy rarely seen in history. During this time, prices were also on a downward trend and the Japanese economy has been wrapped in the gloom of deflation (Figure 4).



(continued on page 4)



## Japanese Economy ...

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Many market players are attempting to profit from the stubbornly low interest rate environment in Japan. Currently the rage is the so-called yen-carry trade, a practice where cheap yen is purchased, converted into higher-interest bearing currencies and subsequently invested in overseas markets. Large volumes of these transactions have resulted in a marked depreciation of the yen against the Euro and the U.S. dollar, despite the persistently large current account surplus of Japan. In theory, devaluation of the yen causes price hikes in Japan, which heavily depends on imports, and leads to rising interest rates. However, this market mechanism has not functioned recently in Japan.

This stagnation as a backlash of an overheated economy may be construed as a phenomenon peculiar to a post-bubble period. At the same time, it should not be overlooked that, with deepening globalization, China and other South East Asian countries have emerged as the new “factories of the world” and are massively supplying low-priced consumer goods.

### Future Prospects

Indeed, over the past 12 years the Japanese economy has persistently faltered along in the doldrums since the burst of the bubble in the beginning of the 1990s. Finally, the Japanese economy has recently begun to rise from the bottom. However, the recovery is slow and there will be no dramatic uplift in the near future.

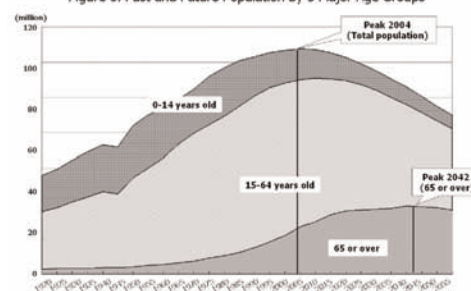
Figure 5. Demographic Changes

	Years in which Percentage of Persons 65 or Over Increased From 7% to 14% (Years)	Percentage of Persons 65 or Over (%) 2005
Japan	24 (1970 → 1994)	20.16
U.S.A.	73 (1942 → 2015)	12.31
United Kingdom	47 (1929 → 1976)	15.96
France	115 (1864 → 1979)	16.61

Source: National Institute of Population and Social Security Research

Over the long term, a serious structural problem looms ominously before Japan. During the past 10-12 years, the Japanese population has aged faster than all other countries in the world, due to the national decline in birth rates and the concurrent increase in life expectancy (Figure 5). In addition, an unusual shift has occurred. Despite the absence of war, plague, famine or natural disaster, the total population of Japan has begun to decrease after peaking in 2004. This structural population shift, when caused by aging coupled with decreasing total population, has grave social and economic ramifications. Firstly, the social security system will be subjected to great financial stress (Figures 6 and 7). For instance, concerns are mounting among younger generations that the government pension plan that they are required to contribute to might eventually fail them, leaving them with less than what was promised. In the area of health care, anxieties are being voiced about shortages of medical doctors and the degradation of their expertise. In addition, the business community will not be spared severe

Figure 6. Past and Future Population by 3 Major Age Groups



Source: National Institute of Population and Social Security Research, Population Census of Japan

Figure 7. Ratio of persons 15-64 to those 65 or over

Year	65 or over	15-64
1950	1	12.1
1975	1	8.6
2000	1	3.9
2025	1	2.0
2050	1	1.3

Source: National Institute of Population and Social Security Research, Population Census of Japan

blows. Serious discussions have been initiated about how to counteract the shrinkage of the domestic market and the shortage of labor.

**The future of Japan, the second-largest economy of the world, critically hinges on its success or failure in dealing with the various haunting problems unprecedented in its history.**

## Hofstra Students Take Top Four Places in NYMEX Open Outcry Trading Competition

On Friday, April 27, 2007, an “Open Outcry” simulated trading competition was held at the New York Mercantile Exchange (NYMEX) trading floor. Participating students assumed the role of pit traders, buying and selling crude oil futures contracts. Dr. Ahmet Karagozoglu, associate professor of finance and academic director of the Martin B. Greenberg Trading Room at Hofstra University, announced that first prize, \$1,000 cash and a prestigious summer internship at NYMEX, was awarded to Surbhi Kapoor, a Hofstra finance M.B.A. student. Sila Nazli Saylak, an M.S. in finance student, and Tansel Alan, a finance M.B.A. student, both from Hofstra, won second and third place cash prizes. Three additional Hofstra finance M.B.A. students – Girish Bhalla, Anshul Shah and



Front row (left to right): Jackie Trahan, Anshul Shah, Girish Bhalla. Middle row (left to right): Dr. Ahmet Karagozoglu, Surbhi Kapoor, Sila Nazli Saylak. Top row (left to right): Deepak Chandela, Pavan Chada, Tansel Alan, Kalpesh Avlani

Deepak Chandela – were among the competition’s 10 prize winners.

A panel of judges made up of NYMEX officials and floor traders evaluated 30 student traders on their ability to execute trades. After two rounds of competition, judges identified the top 10 traders who then advanced to the final “money round,” where individual winners received cash prizes.

This trading competition was the final round of the Fourth Annual NYMEX Commodity Challenge. Earlier this year, 21 teams participated in an electronic trading competition, in which Hofstra’s team placed third.

# Merrill Lynch Center Hosts Conference on Private Equity

The dynamic topic of private equity was the subject of the Merrill Lynch Center's annual spring conference held at Hofstra University on May 2, 2007. Attended by more than 100 Hofstra students, faculty and business professionals, the conference brought together academics and practitioners in three consecutive sessions followed by a roundtable discussion. The conference, titled *Private Equity: A New Force for Value Creation*, was directed by Dr. Andrew Spieler, associate professor of finance and Merrill Lynch Center associate.

The Center was honored to begin the conference with an executive breakfast featuring Leo A. Guthart, chairman and CEO of Topspin Partners, LP, as the keynote speaker. Mr. Guthart, a member of the Hofstra University Board of Trustees, discussed "Private Equity: A Long Island Perspective." Capitalizing on his extensive experience in business and particularly private equity, Mr. Guthart candidly discussed the excitement and challenges market participants face in the private equity markets. Prior to founding Topspin Partners, Mr. Guthart was president, CEO and chairman of ADEMCO. Under his tenure, the company grew from a fledgling manufacturer to become a \$1.5 billion enterprise before its sale to Honeywell International in 2000 for \$2.2 billion.

Following the executive breakfast, conference participants convened at Hofstra University's Scott Skodnek Business Development Center for the first conference session. *Private Equity Fundamentals: Markets, Process and Participants* was moderated by Dr. Ehsan Nikbakht and featured three distinguished speakers: Clark L. Maxam of the University of



George Papaioannou (left), MLC director, and Salvatore Sodano (right), dean of the Frank G. Zarb School of Business, present a plaque to Leo A. Guthart, keynote speaker at the executive breakfast.

Colorado-Colorado Springs; Michael R. Flynn of Sonnenschein Nath & Rosenthal LLP and John MacKessy of FTI Forensic and Litigation Consulting. *Markets for Private Equity Deals* was the topic of the conference's second session, which was moderated by Dr. Nancy White, chairperson of the Finance Department of the Frank G. Zarb School of Business. This session featured Mark Bieber of New York Life Investment Management LLC; Mark Deutsch of Hudson Ferry Capital and Douglas Cumming of Rensselaer Polytechnic Institute.

Dr. Kenneth Lehn, the Samuel A. McCullough Professor of Finance at the Katz School of Business at the University of Pittsburgh, served as the luncheon keynote speaker. Dr. Lehn, who previously served as chief economist of the U.S. Securities and Exchange Commission, focuses his research in corporate finance on issues



Leo A. Guthart addresses the breakfast audience.

that include mergers and acquisitions, corporate governance and capital structure. In his address, Dr. Lehn took a historical perspective, discussing the origins of the private equity market of today to the leveraged buyouts of the 1980s period.

The third session, moderated by Dr. Esmeralda Lyn, followed the luncheon. *Oversight and Linkages to Public Markets* was discussed by Jennifer Marietta-Westberg of the U.S. Securities and Exchange Commission and Georgiana Fung of Merrill Lynch & Co. The conference concluded with a roundtable discussion moderated by Dr. Cynthia Campbell of Iowa State University. The panelists included Mark Deutsch of Hudson Ferry Capital, Frank D. Lackner of American Safety Insurance Holdings, Ltd. and Greenlight Capital Re, Ltd. and Michael J. Odrich of Lehman Brothers.



Hofstra senior finance major David Spinowitz (second from left) chats with (from left) Dean Sodano, Mr. Guthart and John Miller, chair of the Hofstra University Board of Trustees, following the breakfast.



Hofstra faculty enjoy conference breakfast. From left: K.G. Viswanathan, James Neelankavil, Ehsan Nikbaht and Nancy White.

(continued on page 6)

# Private Equity Conference ...

(continued from page 5)



Hofstra finance students Steven Lauricella, Sarah Lackner, Carissa Peluso, Jaclyn Pizzella, Steven Alves and David Spinowitz gather at conference breakfast.



Hofstra President Stuart Rabinowitz joins John Miller; Leo Guthart; George Papaioannou; Gioia Bales, Merrill Lynch Center administrator; Dean Sodano; and Herman A. Berliner, provost and senior vice president for academic affairs of Hofstra University.



Luncheon keynote speaker Dr. Kenneth Lehn (left) is congratulated by Dr. Andrew Spieler, conference director.



Hofstra student discusses conference topics with (from left) Mark Bieber, Douglas Cumming and Mark Deutsch.

## The following Hofstra faculty serve as Merrill Lynch Center associates for the 2007-2008 period:

**A. Sinan Cebenoyan, Ph.D.**  
Finance

**David Flynn, Ph.D.**  
Management, Entrepreneurship, and General Business

**Richard Jones, Ph.D.**  
Accounting, Taxation, and Legal Studies in Business

**Ahmet Karagozoglu, Ph.D.**  
Finance

**Wi Saeng Kim, Ph.D.**  
Finance

**Steven Krull, Ph.D.**  
Finance

**Laura Lally, Ph.D.**  
Business Computer Information Systems and Quantitative Methods

**Keun Lee, Ph.D.**  
Marketing and International Business

**Esmeralda Lyn, Ph.D.**  
Finance

**Susan Martin, J.D.**  
Accounting, Taxation, and Legal Studies in Business

**Rusty Mae Moore, Ph.D.**  
Marketing and International Business

**James Neelankavil, Ph.D.**  
Marketing and International Business

**Ehsan Nikbakht, Ph.D.**  
Finance

**Anoop Rai, Ph.D.**  
Finance

**Jeffrey Seltzer, Ph.D.**  
Law

**Elaine Sherman, Ph.D.**  
Marketing and International Business

**Andrew Spieler, Ph.D.**  
Finance

**Elizabeth Venuti, Ph.D.**  
Accounting, Taxation, and Legal Studies in Business

**K.G. Viswanathan, Ph.D.**  
Finance

**Nancy White, Ph.D.**  
Finance

**Edward Zychowicz, Ph.D.**  
Finance



# Merrill Lynch Center Launches Distinguished Scholars Series

On September 28, 2007, the Merrill Lynch Center hosted its inaugural Distinguished Scholars Series at Hofstra University. Slated as an annual event, our first speaker was Reena Aggarwal, professor of finance and deputy dean of the Robert Emmett McDonough School of Business at Georgetown University. Dr. Aggarwal, who serves on the Academic Advisory Board of the Merrill Lynch Center, spoke on "Globalization of Financial Markets: The Changing Competitive Environment." Professor Aggarwal, who has authored numerous articles in leading financial journals on corporate governance, international stock markets, microstructure of stock exchanges and IPOs, discussed the key factors influencing global stock exchanges, including the significant impact of the growth of exchanges outside the United States. Performance and regulatory issues relating to the demutualization of major exchanges was explored by Dr. Aggarwal. She



Reena Aggarwal

also reviewed issues examined at the *Treasury Conference on United States Capital Market Competitiveness*, which she attended.

Dr. Aggarwal reviewed findings of two of her recent publications. The first, coauthored with

Rohan Williamson, titled *Did New Regulations Target the Relevant Corporate Governance Attributes?* examined the relationship between governance attributes targeted by new regulations, such as Sarbanes-Oxley and firm valuation. The study concludes that new regulations did target governance provisions that were relevant from a market perspective and there was a positive relationship between governance and valuation. In a second study, Dr. Aggarwal examined the differences in governance practices between U.S. and foreign firms. The study found that in general foreign firms invest less in governance than U.S. firms.

Following the seminar, Dr. Aggarwal joined Hofstra faculty and administrators for an engaging luncheon discussion, "Issues in Higher Business Education: The Georgetown Perspective."

## Spotlight on Research by Merrill Lynch Center Associates

### GEORGE PAPAIOANNOU

**C.V. Starr Professor of Finance and Investment Banking**

"The Market Structure Effects of Commercial Bank Entry Into Underwriting: Evidence From the League Tables," annual meeting of the Midwest Finance Association, Minneapolis, MN, March 21-24, 2007.

"Visibility Effects and Timing in Stock Listing Changes: Evidence From Operating Performance," coauthored with K.G. Viswanathan and N.G. Travlos, *The Quarterly Review of Economics and Finance* (forthcoming).

### SUSAN MARTIN

**Cypres Family Distinguished Professor of Legal Studies in Business**

"Litigation Financing: Another Subprime Industry That Has a Place in the United States Market," *Villanova Law Review* (forthcoming, January 2008).

"Commerce Clause Jurisprudence and the Graves Amendment: Implications for the Vicarious Liability of Car Leasing Companies," *University of Florida Journal of Law and Public Policy*, vol. 18, pp. 153-181 (2007).

"Executive Compensation: Reining in Runaway Abuses - Again," *University of San Francisco Law Review*, vol. 41, pp. 147-169 (2006).

### JAMES NEELANKAVIL

**Professor, Marketing and International Business**

"The Best of the Best: Lessons From the Top Performing American Corporations, 1954-2005," coauthored with Debra Comer, *Journal of Management Development*, vol. 26 (5), pp. 499-515 (2007).

"Strategic and Management Tools for Innovation, Improving Quality of Stakeholder Engagement," coauthored with Mahesh Chandra, pp. 13-19 (January 2006).

*International Business Research*, 1st Ed., M.E. Sharpe, NY ISBN # 0-7656-1772-1 (June 2007).

"Stakeholder Symbiosis and Corporate Performance: A Complex Interdependence," co-authored with Mahesh Chandra, *Institute of Directors Conference Proceedings*, pp. 48-54 (January 2007).

"Continuous Innovation and Continuous Improvements and its Effects on Company Performance," co-authored with Mahesh Chandra, North East Quality Council Annual Meeting, October 17-18, 2006.

### A. SINAN CEBENOYAN

**Professor, Finance**

"Regulatory Regime Changes and Acquisition Attributes: The Case of Commercial Bank and Thrift Acquisitions of Thrifts," co-authored with Fatma Cebenoyan and Elizabeth Cooperman, *Quarterly Journal of Finance and Accounting* (forthcoming).

The associates of the Merrill Lynch Center represent Hofstra faculty from a wide range of disciplines. Each of our 21 associates is committed to contributing to the study of one specialization within the field of international financial services and markets. Their responsibilities include: maintaining current familiarity within their area; moderating roundtable discussions; and initiating and organizing programs - such as seminars and symposiums - that enhance the understanding and expand the knowledge base in their areas.

#### Specializations include:

- ▶ Emerging Markets
- ▶ International Investment
- ▶ Derivatives
- ▶ Law and Regulation
- ▶ Information Technology
- ▶ International Economics
- ▶ Marketing of Financial Services
- ▶ International Banking
- ▶ Accounting for International Markets and Services
- ▶ Management and Organization of Financial Services
- ▶ International Investment Banking

**THE MERRILL LYNCH CENTER  
FOR THE STUDY OF  
INTERNATIONAL FINANCIAL SERVICES AND MARKETS  
Frank G. Zarb School of Business**

**ACTIVITIES REPORT FOR THE ACADEMIC YEAR 2006-2007**

**October 4, 2006**

**Lunch & Learn**

**Open-ended Discussion:** *How Can the Center Contribute to the Study of Global Finance?*

**Moderator:** Dr. George Papaioannou, Director, The Merrill Lynch Center

**November 8, 2006**

**Lunch & Learn**

**Topic:** *The Geography of Capital Markets: The Rise and Decline of Financial Centers*

**Moderator:** Dr. George Papaioannou, Director, The Merrill Lynch Center

**November 29, 2006**

**Fourth Annual Roundtable on Corporate Governance and Responsibility**

**Topic:** *The Executive Compensation Debate*

**Panelists:** Dr. Sinan Cebenoyan, Finance Department, Zarb School of Business; Dr. Richard Jones, Department of Accounting, Taxation and Legal Studies in Business, Zarb School of Business; Dr. Janet Lenaghan, Department of Management, Entrepreneurship and General Business, Zarb School of Business; Susan Martin, J.D., Cypres Family Distinguished Professor of Legal Studies in Business and Director of Hofstra's Center for Teaching and Scholarly Excellence, Department of Accounting, Taxation and Legal Studies in Business, Zarb School of Business

**Moderator:** Dr. George Papaioannou, Director, The Merrill Lynch Center

**February 21, 2007**

**Lunch & Learn**

**Topic:** *Fundamental Indexing*

**Moderator:** Dr. Steven Krull, Finance Department, Zarb School of Business

**March 14, 2007**

**Executive Speaker Seminar**

**Topic:** *Institutional Demand for Hedge Funds Will Triple to \$1 Trillion by 2010*

**Speakers:** Brian A. Ruane, Executive Vice President, The Bank of New York and Orla Nallen, Managing Director, The Bank of New York

**Moderator:** Dr. George Papaioannou, Director, The Merrill Lynch Center

**March 28, 2007**

**Lunch & Learn**

**Topic:** *Investor Sentiment and Markets*

**Moderators:** Dr. Elaine Sherman and Dr. Keun Lee, Department of Marketing and International Business, Zarb School of Business

**April 25, 2007**

**Fifth Annual Roundtable on The State of Economic Globalization**

**Topic:** *China's Impact on the Global Economy*

**Panelists:** Li Cui, Ph.D., Senior Economist, IMF, Asia Desk; Dr. Wi-Saeng Kim, Finance Department, Zarb School of Business; Dr. Yong Zhang, Department of Marketing and International Business, Zarb School of Business

**Moderator:** Dr. James Neelankavil, Department of Marketing and International Business, Zarb School of Business

**May 2, 2007**

**Annual Business Conference**

**Topic:** *Private Equity: A New Force for Value Creation*

**Executive Breakfast Keynote Speaker:** Leo A. Guthart, Chairman and CEO, Topspin Partners, LP

**Academic Keynote Speaker:** Kenneth Lehn, Ph.D., Samuel A. McCullough Professor of Finance, University of Pittsburgh

**Panelists:** Clark L. Maxam, Ph.D., University of Colorado-Colorado Springs and Director of Research, Braddock Financial Corporation; Michael R. Flynn, Partner, Sonnenschein Nath & Rosenthal LLP; John MacKessy, Managing Director, FTI Forensic and Litigation Consulting; Mark Bieber, CFA, Second Vice President, New York Life Investment Management LLC; Mark Deutsch, Partner, Hudson Ferry Capital; Douglas Cumming, Ph.D., Rensselaer Polytechnic Institute; Jennifer Marietta-Westberg, Ph.D., Visiting Scholar, U.S. Securities and Exchange Commission; Georgiana Fung, Vice President, Merrill Lynch & Co.; Frank D. Lackner, Director, American Safety Insurance Holdings Ltd. and Greenlight Capital Re, Ltd.; Michael J. Odrich, Managing Director, Lehman Brothers

**Moderators:** Dr. Ehsan Nikbakht, Finance Department, Zarb School of Business; Dr. Nancy White, Chairperson, Finance Department, Zarb School of Business; Dr. Esmeralda Lyn, C.V. Starr Distinguished Professor of Finance and International Financial Services; Dr. Cynthia Campbell, Co-Editor, *The Financial Review*, Iowa State University

**Director:** Dr. Andrew Spieler, Finance Department, Zarb School of Business

**If you would like further information regarding the  
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