A Message from the Executive Director

Over the last year, CFRM has been busy with the first Berkeley Award for Distinguished Contributions to Financial Reporting. This award was originated by George Staubus, Professor Emeritus, to recognize courage and leadership in the interest of providing financial information useful to investors in making investment decisions. Throughout the summer, CFRM actively sought nominees for the award. The accounting faculty at the Haas School of Business narrowed the field of nominees to seven finalists which were presented to a prominent selection committee. At the 15th Annual Conference on Financial Reporting, Dean Tom Campbell presented the award to Walter Schuetze, the overwhelming favorite of the selection committee.

Be sure to read the enclosed story on the Award and Walter Schuetze.

CFRM and the Accounting Faculty would like to thank the Award Selection Committee for volunteering their time and insights to the Berkeley Award. Special thanks to Professor Staubus for his envisaging the Award and the many hours of his time spent on seeing it to fruition.

continued on page 2
Meet Shai Levi, Haas' Newest Accounting Professor

Shai Levi has joined the Haas School of Business as an assistant professor this fall, after completing his dissertation work at New York University. Before entering academia, Shai worked as an attorney in one of the leading Israeli law firms in the field of corporate finance, and as an economist devising regulatory policy on mergers and acquisitions issues for the Israeli Government. He holds a PhD in business administration from New York University, a law degree (LL.B) and a BA in economics from Tel-Aviv University.

Levi Studies How Voluntary Disclosures Affect Stock Pricing

Ideally, investors should put the complete array of information in companies' financial disclosures to work in making investment decisions. In reality, however, they often rely on figures such as bottom-line earnings when determining the timing and pricing of their stock sales and purchases, and ignore other financial data. Shai has investigated this phenomenon.

Shai finds that investors tend to fixate on the limited financial information firms choose to include in their end-of-quarter press releases, and fail to adequately revise their view of a company's performance when the full set of financial reports is filed with the SEC a few weeks later. More specifically, when firms provide earnings in press releases but wait to disclose cash flows in the mandatory 10-Q filings, investors price the stock based on earnings.

One way CFRM accomplishes this mission is by offering a number of career panels and guest lectures in our undergraduate courses in Financial Accounting, Federal Tax Accounting and Auditing. One of the requests that Dean Campbell makes of every Haas School faculty member each semester is to share with our students at least one personal experience involving an ethical decision. If you have an idea for a case study or a presentation on an ethical decision involving financial statements or accounting, please contact me to explore the best way we can bring your business experiences into the classroom.

On behalf of the accounting faculty at the Haas School of Business, I thank you for all the generous financial support to the Center. Your contributions help us to attract the best accounting faculty and to improve the quality of our accounting curriculum. I look forward to seeing you at future CFRM conferences and events.
performance and don’t properly take cash flow information into account.

This bias leads investors to misprice firms’ stock, Shai explains. For example, cash flows that are low when earnings are high can be a signal of aggressive accounting practices or a firm’s financial instability. Yet even when questionable cash flows are eventually revealed in the 10-Q filings, no downward price corrections take place in the market and the stock stays overvalued. He demonstrates that during his sample period, a smart investor could have taken advantage of the mispricings of firms that disclosed cash flows late. Trading strategies that are based on the difference between earnings and actual cash flows beat the market by as much as 14 percent a year in 2001 and 2002. In contrast, he finds that when cash flow information appeared readily in press releases, it was fully considered by investors and properly priced.

Shai’s findings indicate that regulations designed to provide investors with the best information should focus not just on mandatory documents, but also on voluntary documents such as press releases. The SEC’s recent Regulation G, which regulates some disclosures in press releases, may be a step in the right direction. ❖

Maria Nondorf Tracks Business Impact of Accounting Methods

Maria Nondorf, assistant professor of accounting, joined Haas last fall where she continues her research on financial accounting of acquisitions and employee stock options.

Maria is currently examining how employee stock options were treated in 400 high-technology acquisitions between 1992 and 2002. “Even though the accounting rule-setters have been increasingly tightening accounting rules,” she says. “I’m trying to see if there are ways that companies are still attempting to circumvent them.”

In her nine years as an accountant and a senior manager in corporate finance at a major public accounting firm, Maria had plenty of opportunity to observe how companies stretched the rules regarding financial accounting. When she made a career switch into academia, she decided to focus her research on understanding the economic effects of structuring transactions to achieve particular accounting results.

Maria started by looking into investment behavior of high-technology companies that used “pooling of interests” accounting for acquisitions. Prior to 2001, companies were allowed to structure a merger so as to make it look as though the two companies had always operated together — which avoided the drag on the firm’s earnings.

One catch was that companies using pooling were prohibited from repurchasing their own stock for two years prior to and following the acquisition. During these restricted periods these firms tended instead to aggressively invest in other projects. “As a result, they ended up taking on unfavorable investments, such as over-investing in research and development and taking on value-destroying acquisitions,” says Maria. “Firms that chose not to pool were financially better off in the long run.”

In the course of collecting data, Maria and several colleagues from the University of North Carolina, where she earned her PhD, have assembled a database of shareholder information on every publicly traded company. From this database they have learned that a company’s mix of shareholders tends to shift systematically over the life of the firm. At first, firms are dominated by large blockholders and
Qintao Fan has found that, surprisingly, earnings management can be an effective way for “higher-quality” firms — those with potential to generate a higher stream of earnings — to separate themselves from lower-quality firms in the eyes of investors.

Accounting reports can be manipulated only to a certain extent, she maintains, simply because inflating figures is ultimately costly to any firm. “If you report a high earnings figure now, you are essentially borrowing against your future,” she explains. “Subsequent reports will have to be lower because eventually your total reported earnings have to equal your total cash flows. This can potentially trigger litigation and an increase in the cost of capital.”

Lower-quality firms will overstate their earnings during the IPO process to make themselves appear on par with higher-quality firms. Higher-quality firms will follow suit in part to separate themselves from the lower tier, overstating their earnings at a level that’s prohibitively costly for a lower type to mimic.

Firms can also demonstrate their value to investors by strategically combining earnings inflation with another “signal” — such as retaining a certain degree of ownership in the company. The more ownership the IPO insiders retain, the greater a sign it is to the outside world that they believe in the IPO firm’s future earnings potential. “It’s like putting their money where their mouth is,” says Qintao. Her explorations of how IPO firms use both ownership retention and reported earnings to signal firm value have generated a rich set of empirical implications regarding market efficiency and the strategic use of earnings management. Data on IPO firms from 1987 to 1997 confirm that investors do pick up on signals such as earnings inflation and ownership retention in valuing an IPO firm.

Fan’s most recent research examines the capital market implications of fair value accounting versus historical cost accounting. She is also interested in issues related to managerial incentives and compensation. She came to the United States from China in 1996, after completing a BA in international economics from Renmin University of China in Beijing. She holds an MA in economics from the University of Maryland and also an MS in statistics and a PhD in Business Administration from Stanford.
CFRM Reaches out to the Profession and Industry to Help in the Classroom

Recent studies have indicated that student’s selection of accounting as a career is largely based on their perceived usefulness of accounting and if they find it interesting, in the first introductory accounting course. Many students have misconceptions about accounting that are best overcome by having accountants share real world examples of what to expect in an accounting career. To stimulate interest in accounting, CFRM continues to involve accounting professionals in the accounting curriculum. We appreciate the dedication of the many guest lecturers.

Course: Introduction to Financial Accounting
(Professor Rada Brooks)
“A accounting Career Panels”
Highlights career opportunities and training in public accounting. Chris Fung and Jason Hom (PWC); Tiffany Rasmussen, Vicky Wang and Mark McComb (KPMG LLP); Gary Jang, and David Sacarelos (Seiler & Co. LLP); Zain McKinney and Mark Li (Deloitte & Touche LLP).

Course: Federal Income Tax (Professor Alan Cerf)
“A Day in the Life of a Tax Accountant”
Tax accountants share their experiences dealing with complex tax issues. Kay Pitman (Deloitte); Gary Krutilla (KPMG); Nancy Young (Seiler); Wendell Hutchinson (PWC) and David Green (Clorox).

Courses: Intermediate Accounting, Advanced Accounting and Financial Statement Analysis
(Professors Alan Cerf and Vic Stanton)
“Overview of the Sarbanes Oxley Act”
John Hildebrand from PWC and “Lease Accounting” by Tim van Oppen from Deloitte.

Course: Auditing (Professor Mike Dance)
“A Day in the Life of an Auditor”
Auditors share their career growth from the perspective of a first year associate, an in-charge accountant and a first year manager. Kinman Tong, Colin Hardisty and Yetunde Akinnawale (Deloitte).

“Restoring Investor Confidence” – PCAOB Board member Kayla Gillan shares insights into Sarbanes-Oxley Act of 2002. “An Accounting Career Outside of the Big 4” – Mike Nowles (Frank Rimerman) compared his Big 4 and local firm experiences.

“Legal Liability of Accountants” – Dale Barnes (Bingham McCutchen) shares practical case studies on how auditors can avoid costly law suits.

Course: Principles of Business
(Professor David Robinson)
CalCPA “Bring it ON” video highlights diverse career experiences of California CPAs followed by a presentation about the Haas accounting program.

New Student Orientation – CFRM hosts a booth at the new business student orientation and is joined by Haas alumni from the sponsoring firms including Kinman Tong from Deloitte; Tom Uy from KPMG; Sang Lee and Jennifer Tai from PWC; and Patrick Stodel and Mark Roberts from Seiler.

Public Accounting Careers – CFRM and the Latino Business Student Association showcased the CPA profession with a panel including Laura Martinez from PWC; Maggie Baker from EY; Zain Mckinney from Deloitte and Tim Forstad from KPMG.

Advanced Career Enhancement Skills (“ACES”) -
Big 4 Campus recruiters demonstrate skills that are essential for starting a career in public accounting. Chris Fung and Norma Gomez from PWC provided details on resume writing and preparing for the interview: Kristine K im, Tom U y and Joe Yuen from KPMG set expectations for the interview and Zain Mckinney and Varun Rai from Deloitte reviewed the importance of the second round office visit.

We apologize if we unintentionally missed any of those that contributed to our accounting program. If you have ideas for future events or classroom presentations that promote the accounting profession, please contact CFRM.
Berkeley Financial Reporting Award Honors Accounting Reformer Walter Schuetze

Accounting and finance experts named by the Haas accounting faculty as members of a selection committee picked investor advocate and accounting reformer Walter Schuetze as the inaugural recipient of the Berkeley Award for Distinguished Contributions to Financial Reporting at the School’s Fifteenth Annual Conference on Financial Reporting in San Francisco on November 5.

Schuetze has “a very long history of standing up for users of financial reports,” said Haas professor emeritus George Staubus. “There is no powerful interest group representing them in their struggle to obtain unbiased information from management. Schuetze supported investors many times in his long career in auditing and the regulation of financial reporting.”

Staubus conceived of the Berkeley Award “to recognize courage, leadership, or other meritorious performance in the interest of providing financial information useful to stockholders and creditors in making investment decisions.”

Discouraged by sub-par financial reporting by many corporate managements in recent years, he “felt that calling attention to outstanding performance would be helpful.” The Berkeley accounting faculty organized a distinguished eight-member jury to consider a list of award nominees.

Schuetze, at 72, is officially retired. Still, his new book, *Mark to Market Accounting: True North in Financial Reporting*, was just published by Routledge. He retired as chief accountant of the Securities and Exchange Commission in 1995, then came out of retirement in 1997 to work another two years as chief accountant of that agency’s enforcement division.

From the time he entered the accounting profession in 1957, he worked on important auditing and financial reporting projects. His résumé lists several organizations important in financial reporting, including the Securities and Exchange Commission, the Financial Accounting Standards Advisory Council, and the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants. He served as a charter member of the Financial Accounting Standards Board from 1973 to 1976. Although his résumé is impressive, what put him in line for the award was his passion for helping the economy run smoothly.

“It is positively thrilling,” he said, “to watch participants in financial markets use financial statements to make capital allocation decisions.” He described his five years at the Securities and Exchange Commission as “like going to the theater.”

Courage might not be the trait most people associate with accountants, but Schuetze’s career shows how important it is. Most recently, he joined the board of directors of Computer Associates, only to find that the company had been overstating earnings for years. He led the company’s audit committee through the dangerous
terrain of an investigation by the Securities and Exchange Commission, dismissing the company's top executives and reorienting the company to benefit shareholders.

Earlier in his career, he served for many years as accounting expert at Peat Marwick Mitchell & Co., now known as KPMG, which had several major savings and loan associations as clients. At that time, many institutions were recording income that would materialize only if a real estate boom continued. He made some unpopular calls. Unlike many other auditors, he insisted on having Peat Marwick's clients delay recording income on real estate loans until the project's success and the developer's ability to repay were clearly demonstrated.

Professor Staubus called Schuetze “a hero of the resistance to savings and loans' loose accounting in the 1980s.”

That doesn't mean his auditing clients always appreciated the favor. Schuetze said he often faced business people who didn't want honest accounting. “I would very carefully explain to them how capital markets work,” he said, speaking in a voice that could have belonged to a courtroom judge. “Market participants need quality information to make good decisions. If they are not given high-quality information, the cost of capital for all participants in the market goes up. We're trying to get to the point of optimal capital cost.” This capitalist idealism didn’t always pay off. “I certainly lost work by sticking to my guns,” he said.

Schuetze, like Staubus, sees the current period as a tough time for the accounting field. “After Enron and WorldCom,” Schuetze said, “the profession’s credibility sank to the bottom of the barrel. Everyone in the profession and associated with it is trying to restore credibility.” He says the reforms in the Sarbanes Oxley Act have helped, as has the increased emphasis on ethics at American college and university business programs.

“I investors in 1999 to 2003 paid a very high price for false and misleading statements,” Schuetze said. “Everyone's pulling on their bootstraps to restore the profession.”

Looking back, Schuetze can be critical of decisions he helped make in the early days of the FASB. In a recent memoir, he wrote, “We relied on our experiences, judgment, and intuition in writing the early standards.” In particular, he faults Statement 5, saying its two standards for loss contingencies “allow for so much judgment and leeway that in practice they amount to no standard at all.”

Nonetheless, the FASB's early work laid the foundation for today's accounting standards.

As for the future, Schuetze said, “I hope standard-setters and regulators will continue to march to market-value accounting. That's what we need to do to get good reliable information to investors.” He said market value is less precise but more relevant than historic cost. He is gratified by the gradual decline of historic cost accounting, calling the cost of assets purchased long ago “irrelevant” to shareholders.

Accepting the award at the Fifteenth Annual Conference on Financial Reporting, he told the 300 accountants and finance professionals in attendance to give mark-to-market accounting a try. “Try it, you'll like it,” he said. ❖

— Steven Bodzin
The 15th Annual Conference on Financial Reporting was held on November 5, 2004 at the Hyatt Regency San Francisco Airport Hotel. Over 300 participants from academia, the accounting profession, industry and regulators came to discuss current issues in financial accounting and corporate reporting. The focus of this year’s conference was on challenges and opportunities for the accounting profession and international convergence of accounting standards.

Robert Herz, Chairman of the Financial Accounting Standards Board, gave the opening address and covered the strategic objectives of the FASB (improve, simplify and convergence of international standards) as well as their major challenges. The challenges that most of the financial statement preparers and auditors in the audience agreed with was the difficulty to keep up with the pace of change given all the new regulations and pronouncements. The FASB chairman shared his view on the current debate as to principles-based vs. rules-based standards.

Mary Barth, Senior Associate Dean at Stanford University Graduate School of Business and member of the International Accounting Standards Board was the keynote luncheon speaker and presented an update on IASB activities. The IASB mission of “A single set of high quality, global accounting standards that are accepted worldwide” will start becoming a reality effective on January 1, 2005 with IASB Accounting Standards being required for publicly listed companies in the European Union and Australia. The EU adoption has led to a joint IASB/FASB agenda to cooperatively deal with convergence of current accounting standards and bi-annual joint Board meetings.

The emerging accounting issues panel, moderated by Michael Dance, included Robert Herz, outlining the
FASB agenda; Colleen Sayther Cunningham, President of Financial Executives International (FEI) highlighted the status of the 2004 Emerging Issues Task Force discussions and the FEI’s Committee on Corporate Reporting; Brent Woodford, Senior Vice President and Controller of the Walt Disney Company and Member of the Accounting Standards Executive Committee (AcSEC) updated the activities of AcSEC, and shared his perspective on financial reporting trends; John Wolfson, Partner and National Director of SEC Services at Deloitte & Touche LLP; answered the frequently asked accounting and reporting questions.

Moderator Qintao Fan, Assistant Professor at the Haas School, was joined by panelist Kayla Gillan, Board Member of the PCAOB who reviewed the 2004 inspection process, and findings. Jenifer Minke-Girard, Senior Associate Chief Accountant of the Office of the Chief Accountant and Susan Markel, Chief Accountant, Division of Enforcement of the US Securities and Exchange Commission addressed current issues and developments at the SEC; and Paul Munter, Partner with KPMG’s Department of Professional Practice discussed the profession’s SOX 404 readiness and issues concerning interaction with clients on accounting issues.

The first afternoon panel was moderated by Assistant Professor Shai Levi which covered lessons learned and the benefits to organizations from the Sarbanes-Oxley Act. Leading off the panel was Craig Rhines, Investment Officer at CalPERS, followed by Lydia Beebe, Corporate Secretary of ChevronTexaco Corporation; and Michael Sutton, Former Chief Accountant, US Securities and Exchange Commission. Kayla Gillan joined the panel in answering questions from the audience.

Assistant Professor Maria Nondorf moderated the last panel on accounting for and structuring of equity-based compensation and was joined by Mary Barth, John Hertz, Accounting Policy Controller of Intel Corporation, and Carine Schneider, Partner, Human Resources Solutions, PricewaterhouseCoopers LLP. Professor Barth reviewed accounting theory to support an expense model; John Hertz shared FAS 123 implementation issues; and Carine Schneider talked about trends in equity plans and the American Jobs Creation Act of 2004.

This year the inaugural winner of the Berkeley Award for Distinguished Contributions to Financial Reporting was presented to Walter Schuetze by Dean Tom Campbell. More photo highlights of the conference can be found on our web page: http://groups.haas.berkeley.edu/accounting.
Letter from the President of Beta Alpha Psi

For the last 85 years, Beta Alpha Psi has been providing its members with opportunities for academic, professional and personal development. As a premier international honors business fraternity, Beta Alpha Psi is globally recognized and resonates with outstanding scholarship and professionalism. The Lambda Chapter, established in 1925, continues this legacy on the University of California, Berkeley campus.

This summer, our chapter was sponsored by Deloitte to attend Beta Alpha Psi's national conference in Orlando, Florida. It was an honor to be given this opportunity to learn more about the financial and accounting profession as well as partake in interactive workshops with 1000 students from all over the United States. In addition, our fraternity brought home the award for “Most Innovative and Useful Website” in the Western region and awarded the status “Superior Chapter”.

The Fall 2004 semester bred new energy as the Lambda Chapter continued to turn the corner to become the prominent business fraternity at the Walter A. Haas School of Business. The semester initiated with the infusion of 14 dedicated individuals who were selected from a pool of over 80 applicants. Our unique blend of activities has strengthened the pledges' interpersonal, communication, and leadership skills in preparation for successful futures. Information workshops, team-building activities, and professional networking possibilities along with our dedication to the community creates a strong foundation for growth. These benefits, moreover, are complemented well by our social qualities, which foster brotherhood and solidarity among our members and alumni who embody the rich traditions of Beta Alpha Psi.

Our presence has reached the campus-wide population at UC Berkeley. Hosting the semiannual career fair, Meet the Firms, with over 30 firms and 60 professionals, we provided an opportunity for students to recruit from a diverse range of industries. Moreover, co-hosting the Big Four Forum and the Deloitte Consulting Workshop, showed our support for financial and consulting institutions. On November 2, my BAP brothers and I hosted our first annual Executive Series forum where a renown motivational speaker, Paul Kingsman, shared his Olympic medal experiences in relation to becoming a business leader.

The Lambda Chapter of Beta Alpha Psi would like to thank the strong support we have received from alumni, faculty, and professionals. Their contributions have allowed us to put on more quality events this semester and provide a solid educational and training program for our new members. If you would like to meet the brothers in our fraternity, set up a professional event, or sponsor our fraternity, please contact me at victorjr@berkeley.edu. It is definitely a privilege to be an integral part of a fraternity with a strong institutional backing from a multitude of networks.

Best Regards,

Victor Tong Jr.
President, Lambda Chapter
“Superior Chapter” Status Awarded to Beta Alpha Psi’s Lambda Chapter

The Lambda Chapter of Beta Alpha Psi at UC Berkeley, the national honors fraternity for accounting and financial information professionals, was awarded a “superior chapter” status by the group’s national office.

All chapters achieving this rating — the highest given — receive a financial award from the KPMG Foundation. “Having achieved superior status and won the Best Practice award in the Western Region, these are remarkable times for Beta Alpha Psi,” says Victor Tong, president of the executive board. “Our chapter is more committed to the community and professional realm than ever as we have dedicated more than 1,500 community and professional hours this year, put on events such as our career fair and “Meet the Firms,” and hosted executive leaders from various industries.”

Eligibility requirements for Beta Alpha Psi are a GPA of 3.0 or higher and enrollment in or intent to apply to Haas with a concentration in accounting, finance, or information systems. Non-business majors with intent to enroll in UGBA 102A, 103, or 140 are also eligible.

Beta Alpha Psi Officers Serving Lambda Chapter Fall 2004

**Officers:**
- President: Victor Tong
- Executive Vice-President: Brandon Zhao
- Activities Vice-President: Derrick Wong
- Treasurer: Calvin Leung
- Reporting Secretary: Jacalyn Yuan
- Chapter Secretary: Wei Wang
- Pledge Director: Eric Mah

**Cabinet:**
- Professional Development Coordinator: Jennifer Lou
- Career Development Coordinator: Min Ho Kim
- Academic Development Coordinator: Will Tsao-Wu
- Meet the Firms Coordinators: Crystal Lee and Monique So
- Community Service Coordinator: Jia Jia Chen
- Members/Actives & Publicity Coordinators: Elizabeth Chu and Jeff Fan
- Social Coordinator: Jennifer Doan
- Executive Series Coordinator: Veronica Lee
- Pledge Advisor: Gina Chen
Congratulations to Undergraduate Accounting Award Recipients of the LH Penney Grant-in-Aid Award

Jennifer E. Chow
Xi Jiang
Phillip Lau
Erica Liu
Mengxi Ma
Manisha Patel
Haesung Shin
Kemberly Stocklmeir

CalCPA Awards Scholarships to Six UC Berkeley Students

During the past year the California Society of CPAs and its East Bay Chapter have awarded $8,500 in scholarships to six UC Berkeley students. The recipients and amounts are as follows:

Karibu N yaggah $2,500, Chapter Award.
Stanley Lu $2,000, Dean's Award
H annah K im $1,500
Shuk Ching Tso $1,000
E ric Chow $750
Amy Fung $750

The scholarships annually recognize outstanding students who are pursuing studies that eventually could lead to careers as CPAs. For information about CalCPA scholarships, call (800) 922-5272 or go to www.calcpa.org.

About CalCPA
The California Society of Certified Public Accountants is one of the nation’s largest accounting organizations and the largest CPA association in California. It serves 28,000 members in public practice, private industry, education and government.

CONFERENCE REPORT

Predicting the Future of Accounting

In response to a survey, 155 out of 305 graduates provided the following information:

Starting salaries:
75th percentile $52,500
Average 49,148
25th percentile 44,000
Median 50,000

Employed 80.6% (125)
Post graduate school 6.5% (10)
Seeking employment 6.5% (10)
Other endeavors 6.5% (10)

Professor Emeritus George Staubus Stays Busy

Professor E meritus George Staubus has been busy this past academic year. As the luncheon speaker at the annual research conference of the Academy of Accounting Historians, he addressed the question of “Who is Responsible for the Financial Reporting Scandals,” and at an American Accounting Association Annual Meeting he concentrated on “Academics’ Responsibility for the Decline of the Accounting Profession.” His paper on “Ethics Failures in Corporate Financial Reporting” was presented at a conference on ethics in financial reporting at IESE (Business School) in Barcelona and was published in the Journal of Business Ethics. Staubus’ review article on an important new book, Brian West’s Professionalism and Accounting Rules, was published in Abacus in June and “Two Views on Accounting Measurement” appeared in the October number of Abacus.

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PROFILE OF THE CLASS OF 2003

The Career Center at UC Berkeley compiles information about the graduating seniors from the Haas School of Business Class of 2003. In response to a survey, 155 out of 305 graduates provided the following information:

Starting salaries:
75th percentile $52,500
Average 49,148
25th percentile 44,000
Median 50,000

Employed 80.6% (125)
Post graduate school 6.5% (10)
Seeking employment 6.5% (10)
Other endeavors 6.5% (10)
PhD’s Moving on...

**Donglin Li** born in Shandong, China, joined the Berkeley accounting program in 1998. He received his bachelor’s degree in Engineering from Qinghua University and a master’s degree from the University of International Business & Economics (UIBE). His professional experience includes auditing at COFCO and modeling default risk at Moody’s K MV.

Donglin’s dissertation topic, “The Implications of Capital Investments for Future Profitability and Stock Returns: A New Investment Perspective” investigates whether managers tend to overinvest in capital expenditure and whether the stock market overprices firms that overinvest. His other research interests cover analyst recommendation and default risk prediction. He has presented his research at Baruch College, Hong Kong University of Science & Technology (HKUST), George Washington University, National University of Singapore, and Singapore Management University.

**John Briginshaw** graduated from the PhD program in December 2003. His dissertation was titled “Essays in Fundamental Analysis”. John is now an Assistant Professor of Accounting at the Graziadio School of Business and Management at Pepperdine University in Los Angeles. He is teaching financial and managerial accounting at the Bachelor’s and MBA level, as well as following his research interest in fundamental analysis, and broadening to applied research, which is a specialty of the Graziadio School. John received his BSc. from the University of Bristol; MBA, from the London Business School; and MS and PhD from the University of California, Berkeley. He can be contacted by email at John.Briginshaw@pepperdine.edu or telephone (310) 568-5551.

**Mei Luo**, visiting assistant professor of accountancy, at the University of Illinois Urbana-Champaign earned her BS in Accounting and Economics from Tsinghua University in Beijing in 1998 and her PhD in accounting from the University of California, Berkeley in 2004. While working on her PhD, she helped teach courses on dynamic asset management, corporate finance, financial accounting, and managerial accounting. She also created quantitative equity investment strategies for investment management and worked in a litigation consulting business. Mei’s teaching and research interests include financial accounting, capital market research, and stock market anomaly from the use of accounting information, especially cash flow information.

Donglin started a new career as an assistant professor of finance at the San Francisco State University. In his spare time he enjoys listening to music and playing chess.

Donglin started a new career as an assistant professor of finance at the San Francisco State University. In his spare time he enjoys listening to music and playing chess.
**Every Gift Contributes to Excellence in Accounting**

External financial support of the Center for Financial Reporting and Management is key to sustaining and strengthening the accounting program at Haas. As you may be aware, the State of California provides only one-third of the funding for the Haas School of Business; donations from private sources make up the difference.

Your gift supports faculty and staff, and goes toward the funding of research, the delivery of educational programs to our outside constituents and students, the strengthening of the school's accounting fraternities, and the enhancing of interactions between students and recruiters.

To those of you who have supported the Center in the past, we thank you and hope that you'll be able to continue your support. To those of you who have not yet been able to support us financially, we hope that our recent successes and our future plans make us worthy of your support in the future.

The Center wants to be sure to recognize its donors for the full amount of their generosity given to the School. Please note that in order for the Center to benefit from your gift, your gift must be designated to CFRM. (If your company has a matching gift program, your club level will be increased to reflect that match.) Donors will also continue to be listed in the Haas School's Annual Report at the club level corresponding to the total of all gifts to the School.

For information on how to make a contribution to CFRM, please visit our webpage: http://groups.haas.berkeley.edu/accounting/cfrm/giving.html

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**Corporate Gifts**

The Center for Financial Reporting and Management appreciates the continued support of its sponsors and looks forward to the continued relationship with these and other firms. The following organizations provided financial support to the Center through contributions and matching gifts.

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- PricewaterhouseCoopers LLP
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- American Century Investments
- ChevronTexaco Corporation

**Conference Partner $5,000**
- KPMG LLP

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**Other Corporate Donors**

**$10,000+**
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- Mervyn L. Brenner Foundation

**$1,000-4,999**
- United Way of the Bay Area

**$250-1,000**
- Blanding, Boyer & Rockwell LLP

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**CFRM Welcomes Mark McComb to Executive Committee**

Mark McComb, who is a partner in KPMG’s San Francisco audit practice, serves on the Center’s Executive Committee as a representative of KPMG. He has been in public accounting since graduating from Cal in 1986 with a BS in Business Administration. Mark serves both SEC registrant and private clients in the healthcare and life sciences industries. He is a frequent speaker on emerging accounting and auditing issues at industry conferences. Mark is a board member for the Diabetic Youth Foundation. He lives with his wife (Cal ’87) and kids in Piedmont, California.
Donors to the Center for Financial Reporting and Management (July 1, 2003 - June 30, 2004)

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