



## President's Message

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Dear Kafa Members, Friends, and Supporters:

I am pleased to announce that Professor Soku Byoun at Baylor University has been elected as president-elect, who will join our next president, Professor Saeyoung Chang at University of Nevada, Las Vegas, in serving Kafa beginning this November. Also please join me to welcome newly elected board members, Professor Sam Y. Chung at Long Island University, Professor Young Sang Kim at Northern Kentucky University, and Professor Won Yong Kim at Dickinson College. I thank Professors J. Jay Choi at Temple University, Yong H. Kim at University of Cincinnati, Kee-Hong Bae at York University (Chair), and Saeyoung Chang at UNLV for serving with me on the nomination committee.

Thanks to the continued financial support from Financial News (FN) and Shinhan Bank (SHB), we continue to recognize Kafa members' outstanding scholarly achievements through various awards including FN-Kafa Eminent Scholar Award, SHB-Kafa Young Scholar Award, FN-Kafa Top-Journal Paper Award, FN-Kafa Doctoral Student Dissertation Award, and SHB-Kafa Best Paper Award. On behalf of Kafa, I congratulate all award recipients. I would like to thank Professors E. Han Kim at University of Michigan, Kee-Hong Bae at York University, and Saeyoung Chang at UNLV for serving with me the Kafa Award Selection Committee.

Kafa continues to offer two Korean and Asian sessions at this year's FMA meetings. I appreciate Professors Saeyoung Chang and Hyunhan Shin who organize the two special sessions. The attendance in these sessions by Kafa members is essential for us to continue to keep the special Kafa sessions in the future FMA meetings. The details of the sessions can be found in this newsletter. I also encourage all Kafa members to attend the annual business and dinner meetings scheduled on Friday (October 16<sup>th</sup>). I thank Korea Institute of Finance (KIF) and Korea Capital Market Institute (KcMI) for sponsoring the Kafa dinner meeting.

This December, selected Kafa members will participate in the annual conference on Asia-Pacific Financial Markets (CAFm) Conference and the joint symposium with the KcMI in Seoul. I appreciate Kafa members' continued interest and support for these collaborations with Korean partners.

KAFA held a doctoral student workshop on August 15, 2015 at UMass Lowell Inn and Conference Center of University of Massachusetts Lowell. The objective of the workshop was to help finance doctoral candidates be successful in the job market by giving them an opportunity to receive advice on the job search. I deeply appreciate the sponsor for the workshop, especially President Sung Min Ha from SK Telecom for his generous donation. Many KAFA members have been instrumental in organizing the workshop including Professors Sangphill Kim, Saeyoung Chang, Jin-Mo Kim, Ha-Chin Yi, Yong H. Kim, Kee C. Han, Sung C. Bae, Youngsang Kim, Jung Chul Park, and Eunju Lee. I very much appreciate their time and efforts. I also thank the doctoral students who attended the workshop in Boston. The workshop would not have been successful without their participation.

It has been an honor to serve KAFA as president for the past year. I would like to express my sincere gratitude and appreciation to Professors Saeyoung Chang, Jin-Mo Kim, and Ha-Chin Yi who have worked tirelessly as a team. Without them, I could not have done my job.

I look forward to seeing you all in Orlando.

My warmest regards,

Chan Wung Kim  
2015 KAFA President  
University of Massachusetts Lowell

## **I. Recent KAFA Activities**

### **1.1. The Joint Conference with Allied Korea Finance Associations (KFAs)**

On May 29-30, 2015, the following KAFA members presented their papers at the 2015 Joint Korea Finance Conference in Cheon-An, Korea:

- **Soku Byoun**, Does corporate board diversity affect corporate payout policy?
- **Jaewon Choi**, Reaching for yield or playing it safe? Risk taking by bond mutual funds
- **Suk Hi Kim**, Product Market Competition and Corporate Investment: Evidence from China
- **Yongsoo Kim**, Lame duck presidency and stock returns
- **Seungjoon Oh**, R&D competence and firm growth
- **Ha-Chin Yi**, Can local long-term institutional ownership alleviate information asymmetry in bank loan pricing?

### **1.2. The Joint Conference with the Korea Institute of Finance (KIF)**

The annual joint conference was held on June 1<sup>st</sup> 2015 at the Korea Federation of Banks building in Seoul under the title of the Financial Markets and Monetary Policies. KAEA and two KAFA members presented papers. The following KAFA members presented their work:

- **Yong-Cheol Kim**, Canary in a coal mine - Analysis of systematic risk
- **Young Sang Kim**, Earnings management and bank loan contracting

### **1.3. KAFA Doctoral Students Workshop**

On August 15, 2015, we had a workshop for doctoral students in UMass Lowell Inn and Conference Center, University of Massachusetts Lowell. The workshop was intended to help doctoral students prepare for the job market. The following KAFA members participated in the workshop:

Participating faculty members:

**Sangphill Kim**, UMASS Lowell  
**Eunju Lee**, UMASS Lowell  
**Chan Wung Kim**, UMASS Lowell  
**Saeyoung Chang**, UNLV  
**Ha-Chin Yi**, Texas State University  
**Sung C. Bae**, Bowling Green State University  
**Kee C. Han**, Suffolk University  
**Yong H. Kim**, University of Cincinnati  
**Jung Chul Park**, University of South Florida  
**Young Sang Kim**, Northern Kentucky University

Doctoral Students:

**Yuree Lim**, University of Alabama  
**Yeonju Jang**, University of Kansas  
**Woongsun Yoo**, SUNY Buffalo  
**Hwanki Kim**, UIUC  
**Jin Sook Lee**, University of Iowa  
**Hoonsuk Park**, Ohio State University  
**Kiseo Chung**, Emory University  
**In Jung Song**, University of Georgia

## **II. 2015 Financial News and Shinhan Bank Awards Recipients**

We are pleased to announce the recipients of the annual awards for 2014~2015. Congratulations to all award winners. All recipients must attend the annual meeting to receive the monetary award.

### **2.1. The Financial News-KAFA Eminent Scholar Award**

*Selection Criteria: The FN-KAFA Eminent Scholar Award is given to a KAFA member who has achieved outstanding scholarly accomplishment and research contribution in leading journals in finance and related fields.*

**Winner: Professor Jongmoo Jay Choi**, Temple University

### **2.2. The Shinhan Bank-KAFA Young Scholar Award**

*Selection Criteria: The SHB-KAFA Young Scholar Award is given to a KAFA member who has demonstrated exemplary scholarly performance through publications in leading journals in finance and related fields. Those KAFA members who earned his or her Ph.D. degree within seven years prior to the award date would be considered for the award.*

**Winner: Professor Jae Won Choi**, University of Illinois Urbana-Champaign

### **2.3. Winners of the 9<sup>th</sup> Financial News & KAFA Top-Journal Paper Award**

**Winner:** Hugh Hoikwang Kim, "Time is Money: Rational Life Cycle Inertia and the Delegation of Investment Management, *Journal of Financial Economics*, forthcoming, co-authored with Raimond Maurer and Olivia S Mitchell.

### **2.4. Winner of the 9<sup>th</sup> Financial News & KAFA Doctoral Student Dissertation Awards:**

**Winners:** Geul Lee, "Truncation error treatment for the model-free implied moment estimator."

## **2.5. Winners of the 9<sup>th</sup> Shinhan Bank & KAFA Best Paper Award:**

**Winner: Jongsub Lee**, “Exodus from Sovereign Risk: Global Asset and Information Networks in the Pricing of Corporate Credit Risk,” *Journal of Finance*, forthcoming, co-authored with Andy Naranjo and Stace Sirmans.

## **2.6. Shinhan Bank & KAFA Scholarship for Ph.D. students**

Congratulations! The following PhD students who are presenting papers at the FMA conference are selected for the Shinhan Bank scholarship:

**Haejung Na** (Korea University)

**Yuree Lim** (University of Alabama)

**Woongsun Yoo** (University at Buffalo)

**Sangwon Lee** (University of Houston)

**DuckKi Cho** (Arizona State University)

\*All awardees must be present at the KAFA business meeting to receive the awards.

## **III. KAFA NEWS**

### **3.1. KAFA New Officers**

**Congratulations!!**

- **New President-Elect**

**Soku Byoun** (Baylor University)

- **New Executive Board-Elect for 2015-17:**

**Sam Y. Chung** (Long Island University)

**Young Sang Kim** (Northern Kentucky University)

**Won Yong Kim** (Dickinson College)

### **3.2. Two KAFA-FMA special sessions at the 2015 FMA annual meeting in Orlando**

- We appreciate Professors Saeyoung Chang and Hyunhan Shin to organize two special sessions in 2015 FMA meetings. **ALL KAFA members are strongly encouraged to attend two KAFA-FMA sessions and annual business and dinner meetings on Friday.**

➤ **Issues in Capital Markets and Risk Management in Korea**

Friday, October 16, 8:00 - 10:00 am, Session 141

- o Standing Breakfast is served at 8:00 am, followed by the session at 8:30 am.

**Moderator: Chan-Wung Kim**, Professor, University of Massachusetts Lowell

In this session, panelists will present and discuss the following issues: (1) Private capital ecosystem in Korea and future improvements, (2) Factor exposures of foreign equity capital in a domestic stock market: evidence from Korea, and (3) Directors' and officers' liability insurance and firm value.

**Panelists:**

**Inhyung Lee**, Vice President, Korea Capital Market Institute

**Dong Wook Lee**, Professor, Korea University

**Joon Ho Hwang**, Professor, Korea University

➤ **Corporate governance in Asia**

Friday, October 16 10:15 - 11:45 am, Session 167

o Coffee and snacks are provided before the session.

**Moderator: Saeyoung Chang**, Professor, University of Nevada, Las Vegas

Panelists will present and discuss the following issues: (1) Corporate governance in Japan. (2) Compensation, governance, and firm performance: evidence from India, (3) Executive compensation when a firm is a business group member, and (4) Control beyond ownership: subcontractors of large business group.

**Panelists:**

**Sandra M. Dow**, Professor, Middlebury Institute of International Studies

**John Puthenpurackal**, Professor, University of Nevada, Las Vegas

**Woochan Kim**, Professor, Korea University

**Woojin Kim**, Professor, Seoul National University

#### **IV. KAFA Board and Annual Business meeting/dinner**

##### **4.1. KAFA Executive Board Meeting**

**When:** 3:00 – 5:00 p.m., Friday, October 16, 2015

**Where:** Union meeting room (Ground level of the conference center), Hilton Orlando Bonnet Creek hotel

## KAFA Officers and Executive Board 2015

<input type="checkbox"/> President	ChanWung Kim, University of Massachusetts Lowell
<input type="checkbox"/> President-Elect	Saeyoung Chang, University of Nevada, Las Vegas
<input type="checkbox"/> Vice President	Hyun Han Shin, Yonsei University
<input type="checkbox"/> Secretary General	Jin-Mo Kim, Rutgers University
<input type="checkbox"/> Secretary General KAFA Korea	Woojin Kim, Seoul National University
<input type="checkbox"/> Treasurer	Ha-Chin Yi, Texas State University
<input type="checkbox"/> Executive Board	Sahn Wook Huh (2015), SUNY Buffalo Kenneth Kim (2015), SUNY Buffalo H. Young Baek (2017), Nova Southeastern University Jung Chul Park (2017), Auburn University Hyuna Park (2017), Minnesota State University-Mankato
Advisory Board	All previous presidents

### 4.2. Annual Business Meeting

**Where:** Union meeting room (Ground level of the conference center), Hilton Orlando  
Bonnet Creek hotel

**When:** 5:30-6:30 p.m., Friday, October 16, 2015

### 4.3. KAFA Annual Dinner Meeting:

**Where:** Bee Won Korean Cuisine,  
5100 Dr Phillips Blvd, Orlando, FL 32819  
Phone: 407-601-7788

**When:** 7:30-9:30 p.m., Friday, October 16, 2015

**Transportation:** Bus

**Sponsor:** Korea Institute of Finance (KIF) and Korea Capital Market Institute (KCMI)

## V. Member News

### 5.1. Publications

Following is a list of recent publications by KAFA members. Only those provided to the KAFA office by the authors and the paper published or accepted in year 2014-2015, and forthcoming are listed here.

- Jaewon Choi and Matthew Richardson, "The Volatility of a Firm's Assets and the Leverage Effect", *Journal of Financial Economics*, forthcoming.

- Jongmoo Jay Choi, Haim Levy, and Sean Sehyun Yoo, “Are individual or institutional investors the agents of bubbles?” *Journal of International Money and Finance*, forthcoming.
- Jin Q Jeon, Cheolwoo Lee, Tareque Nesser, Tony M. Via, 2015, “Multiple Lead Underwriter IPOs and Firm Visibility.” *Journal of Corporate Finance* 32, 128-149.
- Jin Q Jeon, Cheolwoo Lee, 2015, “A New Measure for Heated Negotiation in the IPO Syndicate.” *North American Journal of Economics and Finance* 33, 278-304.
- Sahn-Wook Huh, Michael Brennan, and Avanidhar Subrahmanyam, 2015, “Asymmetric Effects of Informed Trading on the Cost of Equity Capital” *Management Science*, forthcoming.
- Sahn-Wook Huh, Hao Lin, and Antonio Mello, 2015, “Options Market Makers’ Hedging and Informed Trading: Theory and Evidence,” *Journal of Financial Markets* 23, 26-58.
- E. Han Kim, V. Khanna, and Yao Lu, “CEO Connectedness and Corporate Fraud,” *Journal of Finance*, Vol. 70, No. 3, 2015, pp. 1203-1252.
- Hugh Hoikwang Kim, Raimond Maurer, and Olivia S Mitchell, "Time is Money: Rational Life Cycle Inertia and the Delegation of Investment Management," *Journal of Financial Economics*, forthcoming
- Jongsub Lee, Andy Naranjo, and Stace Sirmans, “Exodus from Sovereign Risk: Global Asset and Information Networks in the Pricing of Corporate Credit Risk,” *Journal of Finance*, forthcoming.
- Jung Chul Park, Ali F. Darrat, Stephen Gray, and Yanhui Wu, “Corporate Governance and Bankruptcy Risk,” *Journal of Accounting, Auditing and Finance*, forthcoming.
- Jung Chul Park, Daniel M. Gropper and John S. Jahera Jr., 2015, “Political Power, Economic Freedom and Congress: Effects on Bank Performance,” *Journal of Banking and Finance* 60, 76-92.
- Jung Chul Park, Tom Aabo, and Christos Pantzalis, 2015, “Multinationality and Opaqueness,” *Journal of Corporate Finance* 30, 65-84.
- Yang-Ho Park, “Volatility-of-Volatility and Tail Risk Hedging Returns,” *Journal of Financial Markets*. Forthcoming.
- Yang-Ho Park and Nicole Abruzzo, “An Empirical Analysis of Futures Margin Changes: Determinants and Policy Implications,” *Journal of Financial Services Research*, Forthcoming.



## 5.2. New Position/ Promotion/ Awards

### ➤ New Position:

- In August 2015, Prof. Hyuna Park joined the faculty of Brooklyn College of the City University of New York as Kurz Endowed Chair in Finance and Risk Management.
- In July 2015, Prof. Seongkyu (Gilbert) Park was appointed as Assistant Professor, School of Accounting and Finance at the Hong Kong Polytechnic University.

### ➤ Promotion:

- Professor Nicole Choi is promoted to Associate professor and tenured at University of Wyoming.

### ➤ Other Awards & Recognition:

- Prof. Nicole Choi, Mark Fedenia, Hilla Skiba, and Tatyana Sokolyk's paper "Portfolio Concentration and Performance of Institutional Investors Worldwide" received the Best Paper Award in Investments at 2015 FMA Asian conference in Seoul.
- Prof. Kee H. Chung and Prof. Sahn-Wook Huh's paper "The Non-Information Cost of Trading and its Relative Importance in Asset Pricing" is selected for the Best Paper Award in Investments, *FMA (European) Conference*, Venice, June 2015.
- Prof. Hyuna Park's paper "Intangible Assets and Value Investing", has been selected as a semifinalist for the Best Paper Award in the Investments Category to be given at the 2015 FMA Annual Meeting in Orlando.

## VI. Other Announcements

- KAFA website ([www.k-afa.org](http://www.k-afa.org)) is updated including KAFA news, membership, and members' activities. Also, please give your suggestions on managing the website.
- We need more active participation of currently inactive finance professors and/or Ph.D. students for KAFA involvement. We strongly encourage you to introduce KAFA to your colleagues for their new membership.
- Please pay your annual membership dues, or preferably, be a life- time member by paying one time due of \$300.

# THE KOREA-AMERICA FINANCE ASSOCIATION (KAFA)

## Renewal/Application for 2015-2016 Membership

Name: \_\_\_\_\_  
Last First

### Education:

Undergraduate \_\_\_\_\_  
School Degree Year

Graduate \_\_\_\_\_  
School Degree Year

Graduate \_\_\_\_\_  
School Degree Year

### Current Position:

Title: \_\_\_\_\_

Affiliation: \_\_\_\_\_

Address: \_\_\_\_\_  
City State Zip

Office Phone:( ) Fax:( ) \_\_\_\_\_

E-mail Address:

Home Address: \_\_\_\_\_  
City State Zip

Home Phone: \_\_\_\_\_ Other Phone: \_\_\_\_\_

Fields of Specialization in Finance:

1. \_\_\_\_\_ 2. \_\_\_\_\_

Annual Membership Dues:

( ) \$30; Regular and Guest Member ( ) \$20; Associate Member Ph.D Student

( ) \$300 Lifetime Member

<Please send the UPPER portion of this form and your check (payable to KAFA) to:  
Dr. Ha-Chin Yi, McCoy College of Business Administration, Texas State University, San Marcos, TX 78666, or fax  
it to (512) 245-3089, phone: (512) 245-3251 or e-mail to "kafa.treasurer@gmail.com">

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<Keep this LOWER portion for your record.>

### RECEIPT OF KAFA MEMBERSHIP DUES

I have paid KAFA annual membership dues for the year of 2014 - 2015 on \_\_\_\_\_:

( ) \$30; Regular and Guest Member ( ) \$20; Associate Member

( ) \$300; Lifetime Member