



<http://www.K-AFA.org>

September 2019

President's Message



Dear Kafa Members, Friends, and Supporters:

In each spring semester, I feel excited by the fact that every day is one-step closer to summer. Midway through, however, I often wonder where the time has gone. I hope you have had a restful and productive summer.

First of all, I am very pleased to announce that Professor Kiyong Chang at the University of South Florida Sarasota-Manatee has been elected as President-elect, who will join our next President, Professor Peter Chung at the University of California, Riverside to serve Kafa from October 2019.

Also please join me in welcoming our new executive officers and board members: Haemi (Amy) Choi at Loyola University Chicago, Hugh Hoikwang Kim at the University of South Carolina, and Hwagyun (Hagen) Kim at Texas A&M University as members of the Executive Board, and Suzanne Lee at Georgia Tech as a member of the Paper Review Committee. I would also like to express my appreciation to our outgoing officers for their valuable contributions: Sam Y. Chung at Long Island University, Won-Yong Kim at Augsburg University, and Young Sang Kim at Northern Kentucky University.

Thanks to the generous financial support from the Financial News (FN), Shinhan Bank (SHB), and the Lee Family, we can continue to recognize Kafa members' outstanding scholarly achievements through various awards, including the FN-Kafa Eminent Scholar Award, the SHB-Kafa Young Scholar Award, the FN-Kafa Top-Journal Paper Award, the SHB-Kafa Best Paper Award, the FN-Kafa Doctoral Student Dissertation Award, and the Dr. Bong-Soo Lee Memorial Scholarship. How can I ever thank you enough for all you (especially, Chairman Jae-Ho Jeon at FN, Head of CSR Team You-Jeong Yoo at SHB, and Chris and Paul Lee of the Lee family) have done so far for Kafa?

Furthermore, I am excited to announce that the Bank of Korea Economic Research Institute (BOKERI) and the D.K. Kim Foundation (DKKF) have willingly agreed to support KAFA from this year on. I would like to seize the opportunity to express my sincere appreciation to Chairman Dong Koo Kim at DKKF and BP Industries Inc. located in Ontario, California, as well as Director General Woon Shin and Dr. Sung Ho Park at BOKERI. Owing to the generous support from BOKERI and DKKF, I have newly established two awards: (i) the KAFA Distinguished Service Award, which will be bestowed every four years upon KAFA members who have made significant contributions to the development, maintenance, and growth of KAFA; and (ii) the D.K. Kim Distinguished Scholar Award, which will be given to a KAFA life-time member who has made outstanding scholarly achievements in the finance or related field, and at the same time has substantially contributed to or has a potential for significant contribution to the growth of KAFA. On behalf of KAFA, I congratulate all the award recipients. I also thank the KAFA Award Selection Committee members for screening the candidates: Professors Yoon Choi at the University of Central Florida (Chair), Soku Byoun at Baylor University, Kee-Ho Chung at the University at Buffalo, and Jun-Koo Kang at Nanyang Technology University.

Our KAFA members participated in the Conference jointly arranged with the four Korea Finance Associations (KFAs) held on May 31- June 1, 2019 in CheonAn, Korea. On May 30, 2019, some of KAFA members also participated in the Symposium arranged together with the Korean Institute of Finance (KIF). KFAs and KIF have graciously supported the events every year. I am very grateful to KFAs and KIF (especially, President Jhinyoung Shin at the Korea Securities Association (KSA) and President Sangho Sohn at KIF) for their continued support. My special thanks go to the Paper Review Committee members for their time and expertise in reviewing the papers submitted to the joint conferences: Professors Hwagyun Hagen Kim, Jongsub Lee, Suzanne Lee, and Hayong Yun.

KAFA will continue to offer the two Korean and Asian Market sessions at the FMA Annual meetings to be held in New Orleans. I thank Professor Peter Chung for organizing the two FMA special sessions. Please note that KAFA members' active participation in these FMA special sessions run by KAFA is very important for us to keep them in the FMA program in the future. The details of the two FMA sessions can be found in this newsletter. In particular, we have restructured the two FMA special sessions by cooperating with the Bank of Korea Economic Research Institute and the Korea Institute of Finance (KIF), which are the two prestigious think-tanks for the government and the finance/banking industry in Korea. I would like to extend my warmest thanks to Dr. Woon Shin at BOKERI and Dr. Sangho Sohn at KIF for their support and dedication to promoting our professional goals. I again encourage our KAFA members to attend, broaden your understanding, and exchange your ideas about the topics/questions at issue in the Korean and Asian financial markets.

I expect that in December 2019 many KAFA members will like to participate in the Conference on Asia-Pacific Financial Markets (CAFPM) run by KSA as well as in the KAFA-KCMI Joint Seminar arranged together with the Korea Capital Market Institute (KCMI), both of which will be held in Seoul. Please note that from this year the way of CAFPM participation and financial support for KAFA members will be different. That is, KSA will directly review the papers submitted to CAFPM by KAFA members and make decisions based on its own criteria. Moreover, the accepted papers will no longer be required to publish in *AJFS*. KAFA will later decide who among the

accepted KAFKA presenters will be eligible for the financial support. This means that accepted KAFKA members should apply (to KAFKA) for the financial support after the paper is accepted. I am confident that this policy change will significantly improve the quality of the papers submitted to CAFM by KAFKA members. I greatly appreciate the generous financial support that KSA President Jhinyoung Shin at Yonsei University and KSA President-elect Hee-Joon Ahn at Sungkyunkwan University have made possible. Of course, the KAFKA-KCMI Joint Seminar is another great opportunity for us to broaden our understanding on current issues in finance. I would like to extend my gratitude to President Young Suk Park and Vice President InHyung Lee at KCMI for the invaluable support and resources that KCMI has provided for KAFKA.

Many KAFKA members have been instrumental in organizing the conferences and keeping KAFKA operational, including Professors Peter Chung, H. Young Baek, Jung Chul Park, Woojin Kim, Noolee Kim, and Kiseo Chung. The Fund Management Committee members, especially Professor Ha-Chin Yi at Texas State University and Dr. Sangwoo Lee, have made every effort to boost the return on the Fund in this volatile financial market. I really appreciate their time, efforts, and expertise. I also thank the KAFKA members who actively participated in the conference in various capacities. The conferences would not have been successful without their participation and dedication.

Finally, I encourage all KAFKA members to attend the KAFKA Annual General Meeting as well as the KAFKA Dinner scheduled on Friday. It would be nice to meet you at the dinner place, but it will be even better to first say hello to each other and see what is going on at the KAFKA Annual General Meeting and then go together to the banquet place. I am so grateful to the Korea Institute of Finance (KIF) for sponsoring the KAFKA Dinner meeting.

I realize that this is my last official message as a KAFKA officer, which makes me feel sort of bittersweet. It has been a great honor for me to serve KAFKA as President for the past year. I am sorry that this letter ends up being too long. But I feel I cannot skip over this: Thank you, Professors Peter Chung, H. Young Baek, and Jung Chul Park, who have worked tirelessly as a great team! I believe KAFKA will keep flourishing in their capable hands.

Looking forward to meeting with you all in New Orleans soon...

Sincerely,



Sahn-Wook Huh
2018-2019 KAFKA President
University (SUNY) at Buffalo

I. Recent KAFA Activities

1. The Joint Conference with the Korea Institute of Finance (KIF)

The annual joint conference was held on May 30, 2019 at the Korea Federation of Banks building in Seoul.

Presenters

- **Jaewon Choi**, University of Illinois at Urbana-Champaign, “A First Glimpse into the Short Side of Hedge Funds.”
- **Hyun Joong Im**, Pecking University, “The Effect of Stock Liquidity on Debt-Equity Choices.”

Chairperson

- **Yong H. Kim**, University of Cincinnati

Discussant

- **Hae Mi Choi**, Loyola University Chicago

2. The Joint Conference with Allied Korea Finance Associations (KFAs)

On May 31-June 1, 2019, the following KAFA members presented their papers at the 2019 Joint Korea Finance Conference in Cheon-An, Korea.

Presenters

- **Jinsook Lee**, Canisius College, “Corporate Cash Holdings and Industry Risk.”
- **Soku Byoun**, Baylor University, “Understanding the Effects of Alternative Cost-of-Equity Proxies on Corporate Investment and Financing.”
- **Daewoung Choi**, Louisiana State University Shreveport, “Investor Relations Executives in the Top Management Team.”
- **Suin Lee**, University of South Florida, “Migration Flows and Stock Return Comovement.”
- **Hugh Hoikwang Kim**, University of South Carolina, “Measuring (In)Attention to Mutual Fund Fees: Evidence from Experiments.”
- **Seoyoung Kim**, Santa Clara University, “Violations of Price-Time Priority and Implications for Market Quality.”

II. 2019 Awards Recipients

We are pleased to announce the recipients of the annual awards for 2018-2019. Congratulations to all award winners. All recipients must attend the annual meeting to receive the awards.

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 Peter Chung, University of California, Riverside

2. The D.K. Kim Distinguished Scholar Award

Selection Criteria: The recipient of the D.K. Kim Distinguished Scholar Award should be a KAFA life-time member who has made outstanding scholarly achievements in the finance and related fields, and at the same time has substantially contributed to or has a potential for significant contribution to the growth of KAFA.

Winner: Professor Cheol Eun, Georgia Institute of Technology

3. The Distinguished Service Award

Selection Criteria: The Distinguished Service Award is given to a KAFA member who has made significant contributions to KAFA and our profession.

Winner: Professor Yong H. Kim, University of Cincinnati

4. 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 Joonki Noh, Case Western Reserve University

5. The 13th Financial News & KAFA Top-Journal Paper Award

Co-Winners:

Professor Jiyeon Lee, George Washington University, “Information Asymmetry, Mispricing and Security Issuance,” 2019, *Journal of Finance*, forthcoming.

Professor Jung Hoon Lee, Tulane University, “Do Portfolio Manager Contracts Contract Portfolio Management?” (co-authored with Charles Trzcinka and Shyam Venkatesan), 2019, *Journal of Finance*, forthcoming.

6. The 13th Shinhan Bank & KAFA Best Paper Award:

Co-Winners:

Professors Jun-Koo Kang, Nanyang Technological University, and **Jungmin Kim**, Hong Kong Polytechnic University, “Do Family Firms Invest More than Nonfamily Firms in Employee-Friendly Policies?” 2019, *Management Science*, forthcoming.

Professor Irene Yi, University of Toronto, “Opportunistic Proposals by Union Shareholders” (co-authored with John G. Matsusaka and Oguzhan Ozbas), 2019, *Review of Financial Studies* 32, 3215-3265.

7. Dr. Bong-Soo Lee Memorial Scholarship

Winner: Albert J. Lee, University (SUNY) at Buffalo

8. The 13th Financial News & KAFA Doctoral Student Dissertation Awards:

Winner: Sung Kwan Lee, New York University, “Fintech Nudges: Overspending Messages and Personal Finance Management.”

9. 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:

Eunpyo Hong (George Washington University)

Chanik Jo (University of Toronto)

Hyung Joo Kim (University of Houston)

Raymond Kim (University of California, Riverside)

Sang Hyun Kim (University of Texas at Dallas)

Byeung-Joo Lee (Korea University)

Minyoung Pyo (Pennsylvania State University)

Jinhyeok Ra (Korea University)

III. KAFA News

1. KAFA New Officers

- New President-Elect: Prof. **Kiyoung Chang**, U. of South Florida Sarasota-Manatee
- Executive Board Member: Prof. **Haemi Choi**, Loyola University Chicago
- Executive Board Member: Prof. **Hwagyun Kim**, Texas A&M University
- Executive Board Member: Prof. **Hoikwang Kim**, University of South Carolina

2. Two KAFA-FMA special sessions at the 2019 FMA annual meeting in San Diego

We appreciate Professor Peter Chung, President-Elect, organizing two special sessions in the 2019 FMA meeting. All KAFA members are strongly encouraged to attend the following two sessions (KAFA-BOK and KAFA-KIF).

A standing breakfast is served at 8:00 am. We are grateful to the **Bank of Korea (BOK)** for sponsoring the breakfast.

- **Korea America Finance Association and Bank of Korea Special Session**



Friday, October 25, 8:30 am - 10:00 am (Southdown, 4th Floor, Sheraton New Orleans Hotel)

Moderator:

Sahn-Wook Huh, President, Korea America Finance Association, University (SUNY) at Buffalo

Presentation:

- Kook Ka, Bank of Korea, “Economic Policy Uncertainty and Bond Risk Premium.”
- Nam Gang Lee, Bank of Korea, “Evaluating the Effects of Productivity Risks on Long-Run Consumption Risk and Asset Pricing.”
- Sang-Yoon Song, Bank of Korea, “The Cash-Flow Channel of Monetary Policy: Evidence from Mortgage Borrowers.”

- **Korea America Finance Association and Korea Institute of Finance Special Session**



Friday, October 25, 10:15 am - 11:45 am (Southdown, 4th Floor, Sheraton New Orleans Hotel)

Moderator:

Peter Chung, President-Elect, Korea America Finance Association, University of California, Riverside

Presentation:

- Minkee Song, Korea Institute of Finance, “An Illusory Effect of Age Frames on Job Growth Statistics.”
- Yajun Xiao, University of College Dublin, “Shadow Money and Economic Growth: Evidence from Chinese WMP Market.”
- Xian Sun, Johns Hopkins University, “The Dark Side of Business Friendliness.”

IV. KAFA Board and Annual Business Meeting/Dinner

1. KAFA Executive Board Meeting

When: 2:30 – 4:30 p.m., Friday, October 25, 2019

Where: Waterbury Ballroom, 2nd Floor, Sheraton New Orleans Hotel



KAFA Officers and Executive Board 2019

<input type="checkbox"/> President	Sahn-Wook Huh, University (SUNY) at Buffalo
<input type="checkbox"/> President-Elect	Peter Chung, University of California, Riverside
<input type="checkbox"/> Vice President	Woojin Kim, Seoul National University
<input type="checkbox"/> Secretary General	Jung Chul Park, University of South Florida
<input type="checkbox"/> Secretary General KAFA Korea	Noolee Kim, Hanyang University
<input type="checkbox"/> Treasurer	Young Baek, Nova Southeastern University
<input type="checkbox"/> Cyber Director	Kiseo Chung, Texas Tech University
<input type="checkbox"/> Executive Board	Ji-woong Chung (2020), Korea University
	Jongsub Lee (2020), Seoul National University
	Hyuna Park (2020), Brooklyn College - CUNY
	Chulhee Jun (2021), Bloomsburg University of PA
	Jaemin Kim (2021), San Diego State University
	Hayong Yun (2021), Michigan State University
	Haemi Choi (2022), Loyola University Chicago
	Hwagyun Kim (2022), Texas A&M University
	Hoikwang Kim (2022), University of South Carolina
Advisory Board	All previous presidents

2. Annual Business Meeting

When: 5:30-6:45 p.m., Friday, October 25, 2019

Where: Oak Alley, 4th Floor, Sheraton New Orleans Hotel

3. KAF A Annual Dinner Meeting

We are grateful to the **Korea Institute of Finance (KIF)** for sponsoring the KAF A Annual Dinner Meeting.



When: 7:30-10:00 p.m., Friday, October 25, 2019

Where: Gangnam Korean BBQ Restaurant
3012 N Arnoult Rd, Metairie, LA 70002
Phone: 504-309-7007

Transportation: Bus (about 30 minute drive from the conference hotel).

- Hotel to restaurant: 7:00pm
- Restaurant to Hotel (two times): 9:00pm and 10:00pm

V. Member News

1. Publications

Following is a list of recent publications by KAF A members. Only those provided to the KAF A office by the authors are listed here.

- **Seong K. Byun** and **Jong-Min Oh**, “Incremental versus Breakthrough Innovation: The Role of Technology Spillovers” (co-authored with and Han Xia), 2019, *Management Science*, forthcoming.
- **J. Jay Choi**, *Disruptive Innovation in Business and Finance in the Digital World*, (co-authored with Bora Ozkan, eds.), International Finance Review, Volume 20, UK: Emerald Group Publishing, 2019 (December).
- **Kee H. Chung** and **Albert J. Lee**, “Tick Size, Liquidity for Small and Large Orders, and Price Informativeness: Evidence from the Tick Size Pilot Program,” (co-authored with Dominik Rösch), 2019, *Journal of Financial Economics*, forthcoming.
- **Kee H. Chung**, “Corporate Innovation, Likelihood to be Acquired, and Takeover Premiums,” (co-authored with Szu-Yin (Jennifer) Wu), 2019, *Journal of Banking and Finance*, forthcoming.
- **Jun-Koo Kang** and **Jungmin Kim**, “Risk Management, Firm Reputation, and the Impact of Successful Cyberattacks on Target Firms,” (co-authored with Shinichi Kamiya, Andreas Milidonis, and René Stulz), 2019, *Journal of Financial Economics*, forthcoming.

- **Jun-Koo Kang** and **Jungmin Kim**, “Do Family Firms Invest More than Nonfamily Firms in Employee-Friendly Policies?” 2019, *Management Science*, forthcoming.
- **Sunghoon Joo**, **Dong H. Kim**, and **Jung Chul Park**, “Does Local Political Support Influence Financial Markets? A Study on the Impact of Job Approval Ratings of Political Representatives on Local Stock Returns,” 2019, *Financial Review*, forthcoming.
- **Woojin Kim**, “Are Disposition Effect and Skew Preference Correlated? Evidence from Account-Level ELW Transactions,” (co-authored with Youngsoo Choi and Eunji Kwon), 2019, *Journal of Futures Markets*, forthcoming
- **Woojin Kim**, “Debt Restructuring through Equity Issues,” (co-authored with YoungKyung Ko and Shu-Feng Wang), 2019, *Journal of Banking and Finance* 106, 341-356.
- **Jiyeon Lee**, “Information Asymmetry, Mispricing and Security Issuance,” 2019, *Journal of Finance*, forthcoming.
- **Jongsub Lee**, “When Do CDS Spreads Lead? Rating Events, Private Entities, and Firm-Specific Information Flows” (co-authored with Andy Naranjo and Guner Velioglu), 2019, *Journal of Financial Economics* 130, 556-578.
- **Jung Hoon Lee**, “Do Portfolio Manager Contracts Contract Portfolio Management?” (co-authored with Charles Trzcinka and Shyam Venkatesan), 2019, *Journal of Finance*, forthcoming.
- **Sang Mook Lee**, “The Dual Effect of Board Gender Diversity on R&D Investments,” (co-authored with Tamar Almor and Ofra Shoham Bazel), 2019, *Long Range Planning*, forthcoming.
- **Sang Mook Lee**, “Corporate Governance and LGBT-Supportive Policies from CSR, Resource-based, and Agency Perspectives,” (co-authored with Pornsit Jiraporn and Denise Potosky), 2019, *Human Resource Management* 58, 317-336.
- **Suin Lee** and **Jung Chul Park**, “Does Local Culture Trigger Speculative Investment Behavior?” (co-authored with Christos Pantzalis), 2019, *Journal of Business Research* 103, 71-88.
- **Jung Chul Park**, “Does CEO Inside Debt Compensation Benefit Both Shareholders and Debtholders?” (co-authored with Nilakshi Borah and Hui Liang James), 2019, *Review of Quantitative Finance and Accounting*, forthcoming.
- **Jeungbo Shim**, “Loan Portfolio Diversification, Market Structure and Bank Stability,” 2019, *Journal of Banking and Finance* 104, 103-115.

- **Irene Yi**, “Opportunistic Proposals by Union Shareholders” (co-authored with John G. Matsusaka and Oguzhan Ozbas), 2019, *Review of Financial Studies* 32, 3215-3265.

2. New Positions / Promotions / Awards

Promotions

- In the fall of 2019, Professor **Hugh Hoikwang Kim** was promoted to an Associate Professor with tenure at the University of South Carolina.
- In the fall of 2019, Professor **Jung Chul Park** was promoted to an Associate Professor with tenure at the University of South Florida.
- In the fall of 2019, Professor **Sean Sehyun Yoo** was promoted to a Full Professor with tenure at Belmont University.

New Positions

- In the fall of 2019, Prof. **Choonsik Lee** moved from Quinnipiac University to the University of Rhode Island as an Assistant Professor of Finance.
- In the fall of 2019, Prof. **Jong-Min Oh** moved from the University of Central Florida to SungKyunKwan University as an Assistant Professor of Finance.

VI. Special Recognition

Starting from 2019, Mr. Dong Koo Kim will sponsor **the D.K. Kim Distinguished Scholar Award** via the D.K. Kim Foundation for a KAFA life-time member who has made outstanding scholarly achievements in the finance and related fields, and at the same time has substantially contributed to or has a potential for significant contribution to the growth of KAFA.

Mr. Kim first became aware of the value of education as a young child in South Korea in the early 1950s. As North Korean forces moved into his homeland, he and his family, along with many others, were forced to leave their homes in Seoul, the country’s capital city. Leaving all of their assets behind as they fled during the invasion, his family moved from one village to another, continually seeking refuge. Temporary schools and shelters were available, and he, along with many others, gratefully received the benefit of these educational opportunities. He leads his life in appreciation of the efforts of the dedicated teachers that opened doors for him throughout his life.



In 1986, Kim began BP Industries, Inc., a company specializing in the international trade of consumer products. His corporation became a rapid success, and is now one of the premier home-décor vendors in the U.S. In 2003, to further his desire to help those in need of assistance to accomplish their life goals, Mr. Kim founded the D.K. Kim Foundation, Inc., a 501(c)(3) organization. As others had helped him in the past, Mr. Kim was driven by a strong desire to support students who wished to fulfill their potential through higher education.

Mr. Kim considers his gifts to scholars and educational institutions to be investments in the future. “My ultimate goal is to improve human life through higher education. I believe that giving is an investment in society where returns can be broadly maximized.”

Fostering the development of the next generation of world leaders is a task that is monumental, but not impossible. As a Christian businessman, D.K. Kim’s vision is to help develop the kind leaders who will impact society and foster healthy, responsible leadership to positively impact society and foster healthy, responsible leadership to positively impact the future. Mr. Kim is dedicated to the effort of preparing students — generation after generation — for the tasks of today and the challenges of tomorrow.

We sincerely appreciate Mr. Dong Koo Kim’s generous support. For more information about him and the D.K. Kim Foundation, visit the website: dkkimfoundation.org.

VII. Other Announcement

1. KAFA website (www.k-afa.org) will be updated including KAFA news, membership, and members’ activities. Please be patient with the update as we are in transition. Also, please give your suggestions or comments to the Secretary General (jpark5@usf.edu).
2. 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 become a life-time member by sending one time due of just \$300 along with the Membership Application.

Membership Application

Full Name: _____
Last First Middle

Education:

Undergraduate _____
School Degree Year

Graduate _____
School Degree Year

Graduate _____
School Degree Year

Current Position:

Title: _____

Affiliation: _____

Address: _____
Street City State Zip

Phone: () _____ - _____ Phone Type: Home (), Mobile (), Office ()

E-mail Address: _____ *A receipt and future Kafa communications will be emailed to this address.*

Fields of Specialization in Finance:

1. _____ 2. _____

Membership Dues (Check One):

() \$300 Lifetime Member () \$20 Non-voting Associate Member

Optional information

Home Address: _____
Street City State Zip

Phone 2: () _____ Phone 3: () _____

Please send this form and a check (*payable to Kafa*) to: Dr. H. Young Baek (백형기)
 446 Conservation Drive
 Weston, FL 33327

For questions/comments, please contact Kafa Treasurer Dr. H. Young Baek (백형기)
 Mobile: 954-770-7222
 Email: hybaek@nova.edu