Three DSU Students Reach Top 10 in Barron’s Challenge

By Charles Finady

It all started in a Dooling Hall classroom. The finance professor told his students that as part of the course requirements they would all participate in The Barron’s Challenge, a national stock-picking contest. Fame and fortune awaited the potential winners. Everyone would gain valuable investment experience with no cost or risk to them. Were they up for the Challenge? The answer was a definite “yes.”

The first Barron’s Challenge ran from October 1, 2004 through December 15, 2004. While no DeSales students participated in that contest, two students from the University of Nebraska finished in the top ten.

Each student starts with a hypothetical $100,000, which has to be invested in at least nine stocks with a total value of at least $90,000.

In the first two contests, students were allowed a maximum of 50 trades, with each buy or sell considered a separate trade.

The second Barron’s Challenge started on February 15, 2005 and ended on May 15, 2005.

The stock market fell during this time period with the Dow Industrials down 6.4% and the Standard and Poor’s 500 Index down 4.7%. So how do you make money when stocks go down?

The answer is to sell short. Instead of buying now and hoping to sell later at a higher price, a short sale reverses the sequence by selling first and hoping to buy back at a lower price later.

One DSU student, Russell Susko ’05 of Hackettstown, N.J., successfully used short sales to finish in tenth place with a portfolio value of $112,424. Russ was one of only nine students in the FN 455 class, Special Topics in Finance, so a top ten finish out of 2,200 students participating overall was an excellent performance.

Russ received national fame when his name appeared in the top ten student list in the May 30, 2005 issue of Barron’s.

By sticking with their original portfolios both students were able to take advantage of some very strong up trends.

A sharp rise in aluminum and metals stocks helped Mike move up to number 9 by April 3, while a sharp rise in steel stocks helped Dave move up to number 12.

At this point, the ranking list did not differentiate between students and professors so it was not clear where Mike and Dave would rank on the separate student list. Could they hold on for a strong finish? Most assuredly!

By February 1, 2006, Dave Graver ’06 was up to number 25 with a portfolio value of $137,550 and Mike Zinn ’06 was at number 34 with a portfolio value of $134,135. But the best was yet to come.

While the previous contests lasted three months, the third Challenge ran six months, starting on October 17, 2005, and ending on April 15, 2006. The number of trades allowed increased to 75. No DeSales students were ranked in the top 50 on either December 1, 2005 or January 1, 2006, but that was all about to change.

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Alumni Success Story

By Francis Dougherty '94

Although it seems like yesterday, it has been 12 years now since I graduated from DeSales University.

When I left DeSales in 1994 to begin a career in accounting at PricewaterhouseCoopers, I was both nervous and excited about what was to come after graduation.

Time seemed to pass quickly and before I knew it, I had been at PwC for over six and a half years.

During that time, I was fortunate enough to obtain my Certified Public Accountant (CPA) certification and to be exposed to numerous experiences, working on PwC clients that ranged from large multinational manufacturing organizations, mid-cap technology companies, and family-owned businesses.

All of those experiences helped shape me in a very positive way. However, it was at that point I felt it was time for a change.

Through a friend, I came across an interesting finance position at McNeil Consumer Healthcare, a Johnson and Johnson company. I was extremely interested in McNeil since the position was more financial in nature and strayed somewhat from the technical accounting work I had spent my six-plus years doing at PwC.

I have now been at McNeil for just about five years, and I feel extremely fortunate that I made the choice to join Johnson & Johnson.

In the past five years, I have been exposed to several great opportunities. Those experiences ranged from providing financial leadership on new product launches, to playing a key role on the development of a network strategy for McNeil’s entire supply chain, to leading positive change within McNeil’s finance organization.

I was also fortunate enough to have McNeil support me in going back to school to obtain my MBA. In my current role as controller for operations, I have been exposed to the intricacies of the manufacturing processes in making products like Tylenol, Motrin, and several other Johnson & Johnson’s over-the-counter products.

When I look back at my time at DeSales, it continues to be clear to me how the University prepared me for my life experiences these past 12 years.

Although I did not fully appreciate it at the time, the Business Department prepared me extremely well for success.

Shortly after graduating, my first accomplishment in my career was passing the CPA exam. I credit the structure, discipline, and overall framework that both Bill Dwyer and Elizabeth Rosa provided in the accounting department to helping me achieve my CPA certification.

Further, they both positively influenced my confidence level to know I could be successful in any setting outside of the classroom.

Beyond all of this, Dwyer and Rosa were very supportive in talking through the concerns and anxieties I had as a student uncertain about what life looked like outside of the classroom.

“I remember that there were times when Fran got frustrated with the ‘grind’ of the accounting program,” said Dwyer, associate professor of accounting, “but we knew that he was too good for the profession to lose. Clearly, our high expectations of him were justified. He is a fine person and a graduate we are proud of.”

DeSales’ impact on my life was much broader than simply a place where I obtained my B.S. in accounting.

I have made lifelong friendships, and I actually met my wife through one of my best friends at DeSales. I cannot say enough about how the Oblates and staff at DeSales positively shaped my life; and I continue to keep in touch with several of my former professors and administrators at DeSales.

The Salesian spirit is something I carry with me every day. It gives me the confidence and perspective to not only do my best in the workplace; but more importantly, be the best husband, father, and person I can be.

I feel very fortunate to have attended DeSales. I truly believe I would not be where I am today, both in my career as well as in my personal life, had it not been for my experiences at DeSales University.
A Student’s Dream and Goal

By Joyce C. Rhoads ’02

After the management class ended, Professor Bill Roth and Malorie Kaczor ’07 were walking through the crowded Dooling Hall corridor when Roth began humming a favorite melody. To his surprise, Malorie knew the song well, and the “Phantom of the Opera” duet continued.

When asked, Malorie will admit Broadway and the entertainment world have attracted her for a long time.

“I love the arts, singing, painting, reading poetry,” Malorie said, “and I have a genuine appreciation of the arts from the spectator level.”

Among her musical credits, Malorie has sung in church choirs, and she frequently receives requests to sing at weddings and family events.

She was a medical/biology major at the University of Pittsburgh and even enrolled in a few acting courses. However, realizing that she was better suited for business studies, Malorie transferred to DeSales University and is currently a senior business student majoring in management and finance.

Malorie’s school and work priorities have sidelined music for a little while.

“The theater is always there and it’s my passion and hobby,” she said. “After graduation and after I’m established, I’ll find outlets for the theater. I’m open to the options of life.”

Malorie is the oldest of six children and naturally, sets an example for her siblings.

“You’re responsible for your life and you set a course for goals on your own.”

Malorie has experienced many challenges during her college years, as she bore the responsibility for her own education. Working as a floor manager for Mezza Luna Bar & Grill, baby-sitting, and working at two internships, 70-80 hours a week, taught her the valuable lessons of balancing responsibilities and a social life.

She finds her time at DeSales to be her favorite compared to the state school “because of the small class size and because the atmosphere is conducive to learning. Faculty help you to succeed while at the bigger schools, students lose their identity,” she said.

Through the Salesian Center for Faith and Culture, Malorie recently participated in the 2006 Catholic Hero’s Journey. It awakened her to rethink her personal drives and goals.

“After pushing myself to succeed and to attain no grades below an A, I learned to relax and see life from the proper perspective.”

Now Malorie will look to the future as she pursues employment, salary potential, and her musical interests.

“You must be happy to succeed and assume the responsibility of helping others once you have achieved success. I would like to explore opportunities and affect changes which will help other people.”

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Career Paths: Where Did They Go?

By Jonathan Schnatz ’97

After graduating from DeSales (Allentown College) in 1997 with a dual degree in accounting and finance, I went to work at a regional accounting firm in Philadelphia, where I obtained my CPA license.

During my three years at the firm, my work involved a wide variety of duties including preparing tax returns and attestation engagements (audits and reviews).

After leaving public accounting, I accepted a job as a Special Agent with the Internal Revenue Service – Criminal Investigation. I was drawn to IRS-CI after seeing a recruiting brochure that identified its agents as “accountants with a gun.”

Upon being hired, I completed a six month training program at the Federal Law Enforcement Training Center located in Georgia. This training involved a portion attended by virtually all criminal investigators from other agencies followed by specific training related to my position with IRS-CI.

My job as a special agent involves conducting complex financial investigations to prove violations of the income tax and money laundering statutes.

I have worked cases in my career covering a variety of occupations and industries. While the majority of my cases have been white collar investigations, our agency gets involved in everything from drug to terrorism investigations.

For the past two years, I have been assigned to a public corruption task force with the FBI in Philadelphia. I also work closely with the United States Attorney’s Office that prosecutes the investigations which have traditionally looked to the expertise of IRS-CI agents to perform the financial portion of cases.

Many times the prosecutors want the financial portion of investigations showing the motive of financial gain to complement a fraud investigation.

Some of my daily duties as a special agent include analyzing the financial records of corporations, partnerships, and individuals. This work can best be described as forensic accounting as I recreate the finances, books, and records of corporate entities and individuals to show an accurate financial picture.

An income tax investigation involves showing how an individual earned substantially more income than what they reported to the IRS.

A money laundering investigation mainly involves tracking and documenting money that an individual obtained from a crime and how they hid or “cleaned” that money.

While the majority of my time consists of accounting-related work, I also get involved in more interesting and exciting duties such as serving search and arrest warrants and conducting surveillances.

In addition to conducting investigations, I am also a firearms and defensive tactics instructor for the Philadelphia Field Office. I assist as an instructor in training sessions for the agents in the office so they maintain their skills and pass mandatory tests.

My accounting degree from DeSales has given me a solid foundation to draw from in order to perform my duties as a special agent. My well-rounded education not only provided me with the technical skills needed when I am analyzing financial transactions and “digging into” the books and records; but, it also provided me with the writing and communications skills that are essential for my position.

A fair amount of my time is spent documenting my investigations in reports and summaries that are read and used by a wide variety of people.

I specifically recall receiving instruction in a writing course that taught me that business writing should be clear and concise. I can honestly say that my education from that liberal arts college has prepared me well to perform all of the aspects required to be a successful Special Agent with IRS-CI.

“Most of our accounting graduates are good students who will work hard in their professional careers,” says Bill Dwyer, associate professor of accounting.

“A few, like Jon, have that little extra, the intangibles, that mark them for outstanding success in their careers. Of course, now that he is armed, I have nothing but nice things to say about Jon.”

McGowan Scholars Program Winner

By William Roth, Ph.D.

In the photo on the right, Dr. Joe Lewis, chairman of the Department of Business, is pictured with Phil Yetter ’07, the recipient of the 2006 William G. McGowan Scholarship for superior academic and leadership achievement. Phil, an “A” student at DeSales University, has displayed his leadership skills on the athletic field where he was elected captain of the men’s varsity soccer team in his junior year.

The ideas and successes of William G. McGowan, who founded and built MCI into a powerful telecommunications corporation, are cornerstones of that industry. In his battle against the dominance of AT&T, he helped foster the innovation and competition necessary to continual advancement. Rather than simply providing the country with another phone company, McGowan lead the way in designing, promoting, and putting into place the world of modern day communications.

Phil is a dual major in Management and Finance. After graduating, he hopes to find a job in the corporate sector. The Department of Business congratulates him and wishes him well.
Business Department Welcomes New Faculty

By Joyce C. Rhoads ’02

Let me introduce you to two new faculty members who have joined the Department of Business this year. Dr. W. Christian Buss and Dr. Bhagyavati teach in the undergraduate and MBA programs, and they bring their immeasurable experiences from the business world and academia to DeSales.

After completing doctoral studies in marketing from the Wharton School at the University of Pennsylvania, Buss taught at the State University of New York/University at Albany. He has also traveled extensively teaching executive programs for private companies and several international institutions.

Buss writes a regular column on global strategy for the American Business Journals, a weekly chain newspaper, and he also contributes free-lance articles for other business publications. He has authored several business books and currently has a book project underway, “Management Lessons from the Knight’s Templar.”

After relocating from New York two years ago, Buss and his wife, Elizabeth, now reside in Allentown, Pa.

They are part of a musical quartet, Eine Kleine Buss Musik, along with his brother and sister-in-law, who are also his next-door neighbors. Opera and Broadway compositions are among the musical genres they perform. Eine Kleine Buss Musik traveled to Zurich this summer and performed a concert where Buss debuted and sang “Music of the Night.”

“I am excited to be in the Business Department position and to contribute to the quality business program, which will impact the region,” said Buss.

Dr. Bhagyavati teaches management of information technology courses for undergraduates and the quantitative methods course in the MBA program.

She studied electrical engineering and received her B.E. in Bangalore, India, and moved to the U.S. where she received masters degrees in computer science and computer engineering at the University of Southwestern Louisiana. Bhagyavati holds an MBA from Columbus State University, and the Ph.D. from the University of Louisiana at Lafayette.

She enjoys researching the technology fields and has investigated the areas of management of information security, digital forensics, online pedagogy, database management systems, and wireless networks.

Bhagyavati lives in Easton with her husband, Anthony. Some of her leisurely hobbies include reading mystery stories, long walks in the outdoors, cross country bike riding with Anthony, and seeing Broadway and off-Broadway shows.

“I am delighted to be part of the Business faculty and look forward eagerly to working with students and colleagues,” says Bhagyavati.


Save the DSU Dates 2006-2007

Homecoming & Reunion Weekend
9/29/06 • 11:00 a.m. Whitetail Golf Club
9/30/06 • 12:15 p.m. Baseball vs. Moravian
9/30/06 • 1:00 p.m. Alumni Picnic

SIFE Meetings
Wednesdays • 4:00 - 5:00 p.m. Dooling Hall 226

Admissions Fall Open Houses
9/16/06, 10/21/06, & 11/5/06 • 9:30 - 2:30 p.m. Billera, Dooling, Labuda, Trexler Library, Hurd, Residence Halls

Delta Mu Delta, Kappa Xi Induction
11/1/06 • 4:30 - 6:30 p.m. Kresge Lounge, Billera Hall

ACCESS Open Houses
11/2/06 • 6:00 - 7:00 p.m. Easton
Spring 2007 • 6:00 - 7:00 p.m. Center Valley & Easton

Admissions Winter Open House
12/8/06 • 12:30 - 4:30 p.m. Billera, Dooling, Labuda, Trexler Library, Hurd, Residence Halls

Barron’s Challenge Continued

By the end of trading on April 13, Mike was in third place in the student list with a portfolio value of $176,688 while Dave was in seventh place with a value of $162,426.

DeSales was the only school in the country to have two students in the top ten. Mike won $500 cash for his third place finish and both students could take pride seeing their names in the top ten list of students in the May 1, 2006 issue of Barron’s.

Looking at the top ten students in each of the last two Barron’s Challenges (a total of 20 students), 17 schools including Wharton, St. Johns, and UCLA each had one student in the combined list; DeSales had three. Will there be another Barron’s Challenge this fall? DeSales students certainly hope so. Stay tuned!
FACULTY SPOTLIGHT: THE MONETARY HOBBYIST

By Joyce C. Rhoads ’02

In earlier editions of Business Matters, we spotlighted new and current business faculty at DeSales University. Now we introduce Charles Finady, assistant professor of economics and finance. Outside of the DeSales classroom, Finady draws on his interest in finance to relax with some interesting and profitable hobbies.

Finady has been associated with DeSales University since 1976 and has taught in the ACCESS program. Currently, Finady teaches in the undergraduate and MBA programs in business, including courses in economics, finance, and investment/portfolio management.

He brings a wealth of financial experience to his students after holding positions as an account executive for several well-known brokerage firms, including Paine Webber and Janney, Montgomery Scott.

Recently, he involved his finance students in a national stock-picking contest, The Barron’s Challenge, so that they could learn about stocks through hands-on experience and understand more fully the concepts of personal finance.

In 2005 and 2006, three DSU students received national recognition when they placed in the top ten in the contest. Read more about the contest in Finady’s article on page one of this newsletter.

Away from the campus, Finady spends his time relaxing by metal detecting and discovering rare coins, tokens, and jewelry, which he then meticulously records based on their value and the date they were found.

Metal detecting is the process of locating objects made of metal such as aluminum, copper, gold, iron, lead, silver, titanium, uranium, and zinc.

If you’re not familiar with this hobby, metal detecting is a popular hobby among people of all ages, especially at the beach in the summer.

People metal detect with the hope of discovering treasure from old shipwrecks along the coast; or, they might try to locate a valuable piece of jewelry they lost on the beach.

While this hobby can be rewarding, it does take time and can be tedious for the beginner.

Using the hand-held device, the hobbyist moves the detector close to the ground until an audio signal is heard. The ground is swept one area at a time in overlapping sections.

If the detector emits a solid sound, then a good target has been located and will need to be retrieved. If a faint sound is heard, then the item is buried farther underground and the hobbyist will need to dig deep; therefore, the treasure hunter should come prepared with a shovel, knife, or garden trowel.

Finady began metal detecting in 1966, and since then he has found more than 11,200 items.

He has located some unique items, including a 1699 British half-penny, a 1788 Massachusetts penny, a 1854 silver half dime, a 1875 Liberty-Seated dime, a gold cuff link, and several Barber dimes, quarters, and halves dating from 1892 to 1915.

He also located 717 coins at Pinetop College in Coopersburg, site of the former Cooper Mansion.

According to Finady, one of the best times for metal detecting is after an electrical storm because the electricity in the air makes it easier for the metal detector to pick up signals.

Since he began metal detecting, Finady has owned six metal detectors including his favorite, a White’s Eagle, purchased in 1979.

From 1952-1954, Finady lived in Mertztown in a historic farmhouse that was the former Trexler family homestead, dating back to the late 18th century. The farmhouse is currently the Longswamp Bed and Breakfast.

This was a lucky site, he said, because he located a silver three cent piece dated 1852 as well as 20 Indian head pennies and a bent half cent dated 1826 on the adjoining property, which had been an old country store.

“I often research historical atlases, old newspapers/magazines, maps, and historical society archives, which can be reviewed in the local library,” said Finady.

According to Finady, another intriguing-
ing place to explore metal detecting is in a ghost town. Pennsylvania has quite a view ghost towns, including Curtin Village, Wistar, Zanmore, and Centralia.

Another facet of Finady's monetary hobbies touches on web note collectibles.

Web notes were printed by the Bureau of Printing and Engraving (BEP) between 1992 and 1996 and are recognized as either web press notes, web-fed notes, or webs.

Considered rare experimental U.S. paper money, webs look almost exactly like a regular one dollar sheet federal note.

Interestingly, the government printed them as a cost-effective attempt to produce one dollar bills. The notes were printed on the Alexander Hamilton Web-Fed Press as a roll similar to a newspaper rather than on sheets.

The unpredictable press, however, cost millions of dollars and after it created errors, the government abandoned the project and sold it for scrap metal.

Typically, a federal reserve note has plate position numbers with tiny letters and numbers in designated spots. Webs are valuable because they have plate position numbers ranging only from one to ten on the front; and on the back the plate number is in the upper right corner. Therefore, webs have become excellent and valuable collectibles.

Finady has researched and collaborated with other web collectors in organizing a census on web notes; their current count is close to 17,000 webs.

Although his personal collection totals in the thousands, there is another collector whose collection totals 60,000 web notes.

Finady's hobby has now developed into plans for a book on webs notes.

In December 2005, Finady researched another monetary item – uncut paper currency. He has collected 55 different blocks of one dollar uncuts out of a possible 172 blocks, with a personal goal to complete the collection and to explore another book.

Uncut paper currency can be purchased in $1, $2, $5, $10, $20, and $50 denominations from the BEP in blocks of 4, 8, 16, and 32 notes. He said collectors frequently buy a 32 note block; then cut and resell the smaller blocks on places such as Ebay.

Uncut paper currency makes great Christmas or birthday gifts for the hard-to-buy person and can even be framed. You can buy a block of series 2003 four-subject $1 notes in an informational folder for $15.

Finady confirmed that collectors suspect the value of uncut currency will grow if the government discontinues some paper bills.

As an example, the popular and widely used paper $1 bill has a life expectancy of 17 months. As a result, there is speculation that the U.S. Treasury may replace it with a coin as a cost-saving move since coins last about 30 years.

Now that you've learned about Charles Finady's hobbies of metal detecting, web notes, and uncut currency, it's time to check your wallet or billfold. Perhaps you too will become fascinated with treasure hunting and rare monetary hobbies!
Sport Management Field Experiences

By Martin Brett, Ph.D. ’98

At the core of the Sport Management Program’s philosophy is the belief that each student must possess both a theoretical and practical understanding of many business and sport concepts.

The theoretical concepts are learned by the students as they progress through the major’s curriculum. One class after another builds concepts upon each other, providing the students with a solid foundation as they seek practical application of these theoretical concepts.

Although the concepts taught in these classes are applied by the students through the completion of a variety of projects, the environment is still artificial. Therefore, the Sport Management Program continues to emphasize the practical portion of student learning through the completion of a twelve credit (480 hour) Field Experience.

This past year students in the program conducted their field experience in a variety of diverse sport settings from collegiate and professional sport to youth/recreational and non-profit sport organizations.

Even within sport segments, our students obtained different perspectives. For example, students worked in athletic departments at all three NCAA Divisions (DI - Lehigh University, DII - Philadelphia University, and DIII - DeSales University). By working in diverse sport settings, students are able to share their experiences and learn from each other.

Aside from gaining valuable experience, another major benefit of the field experience is that it provides an opportunity for students to network with potential employers.

On several occasions during the Fall and Spring semesters, through events hosted by the Sport Management Society, students heard from current sport management professionals who encouraged them to work on building relationships within the sport industry. In fact, some students were so successful in building these relationships that at the completion of their field experience, they were offered full-time employment with the host organization.

As the sport industry continues to grow, the demand for qualified sport managers grows along with it. By completing a challenging academic curriculum and an intensive field experience, our students are preparing themselves to meet those demands.