

# TODD STONITSCH, Ph.D., FRM

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## ACADEMIC POSITIONS

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Clinical Assistant Professor – Department of Finance, Darla Moore School of Business, University of South Carolina

*August 2019 – Present*

Assistant Professor – Department of Finance, Martha and Spencer Love School of Business, Elon University

*August 2014 – May 2019*

GTA/Instructor – Department of Finance, Robinson College of Business, Georgia State University

*August 2010 – May 2014*

## EDUCATION

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**Georgia State University**, Atlanta, GA

Doctor of Philosophy in Finance

**Georgia Institute of Technology**, Atlanta, GA

Master of Science in Operations Research

**Emory University**, Atlanta, GA

Bachelor of Arts in Economics

## AREAS OF INTEREST

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Research: Corporate Finance, Mergers & Acquisitions, Theory of the Firm

Teaching: Corporate Finance, Financial Statement Analysis, Fixed-Income Securities

## EXPERIENCE

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### TEACHING:

*University of South Carolina*

(Aug. 2019 – Present)

#### **FINA 469: Investment Analysis and Portfolio Management**

(Aug. 2019 – Present)

This course expands the breadth and depth of knowledge of investment analysis and portfolio management learned in the Financial Principles course. The overarching objectives are that students (1) gain a deep intuitive understanding of the concepts used in investment analysis, (2) learn the tools used in investment analysis, including excel modeling and regression analysis, and (3) gain confidence in applying the concepts and tools in managing a portfolio. We emphasize the economic logic underlying each concept, and we train students to recognize the right concepts and tools to apply in making investment decisions.

#### **FINA 760: Financial Policies**

(Mar. 2020 – Present)

This course provides students with the conceptual framework and the fundamental knowledge and skills to understand and analyze major financial decisions for corporations. We will cover investment and financing decisions, with special attention to some important corporate policy issues such as capital structure and raising capital.

*Elon University*

(Aug. 2014 – May 2019)

**FIN303: Introduction to Finance**

(Jan. 2016 – July 2017)

For non-majors and business administration minors, this introductory course offers a balanced, survey approach to the three major areas of finance: investments, financial markets and corporate or business finance. It is designed to provide students a foundation with regard to the key concepts from each of these areas so that they will better understand the functions of the financial system and the role it has in their lives.

**FIN343: Principles of Finance**

(Aug. 2014 – May 2019)

This course provides an introduction to the fundamental concepts and techniques of finance and might be subtitled “what every business major needs to know about finance.” It is designed to provide students a foundation with regard to the key concepts from each of three major areas of finance: investments, financial markets and corporate or managerial finance. In the class, we will discuss issues relating to the financial markets, the time value of money, financing, valuation, investments and other topics.

**FIN413: Advanced Managerial Finance**

(Feb. 2015 – May 2019)

The in-depth study of financial management from the perspective of valuative theory involves discussions of topics such as security evaluation and capital budgeting within the framework of the Capital Asset Pricing Model. Study relates cost of capital, capital structure and leverage to valuation concepts. Examination of long-term financing includes studies of leasing as well as warrants, convertibles and options. Valuation impacts of mergers and reorganizations are also covered.

**FIN425/FIN467: Global Finance**

(Aug. 2014 – Dec. 2018)

Given the global environment faced by today's managers, the objective of the course is to introduce students to the basic concepts and institutional arrangements that underlie financial management in a global economy. The course emphasizes financial decisions not usually considered by managers of purely domestic firms including exchange rate fluctuations and country risk. The course focuses on: international financial markets; identification and management of exchange rate exposure and hedging strategies; direct foreign investment and international capital budgeting; determination of the cost of capital; global financing and designing financial structure.

**FIN468: Case Studies in Finance**

(Feb. 2016 – May 2019)

This is a course about analyzing the funding needs of non-financial businesses and then determining the appropriate financial structures to meet those needs. Our principal analytical tools will be business plan analysis, financial statement inspection, cash flow statements, financial ratios, common-sized financial statements, and pro forma statements. Our learning method will be intensive case analysis. Student involvement in case discussion is an important part of the learning process.

**MBA551: Financial Management**

(Mar. 2015 – May 2015)

Selected topics in corporate finance are examined through case and seminar approach. Major topics include enterprise valuation, risk management strategies using financial derivatives such as options and futures and international financial management.

**GBL148/248: Business and Culture in Vietnam**

(Aug. 2016 – Feb. 2019)

GBL148: This course helps prepare students academically, inter-culturally, linguistically and logistically for their short-term global experience. The seminar is offered on campus in the semester prior to the 4 sh global engagement experience. Completion of the pre-departure preparatory seminar is required for participation in GBL 248 VIETNAM: BUSINESS AND CULTURE OF VIETNAM.

GBL248: This course will take you to five different cities in the ancient and culturally-rich country of Vietnam. We will learn how Vietnam developed politically and economically after a long and difficult war. You will learn about Buddhism and its role in the religious life of Vietnamese people. We will also learn why multinational companies are currently building factories in Vietnam, manufacturing goods, and creating jobs in that country.

*Georgia State University*

(Aug. 2010 – May 2014)

FI4020: Financial Statement Analysis

(Jan. 2012 – May 2012)

FI3300: Corporation Finance (15 Sections)

(Aug. 2010 – May 2014)

**UNIVERSITY SERVICE:***University of South Carolina*

University Senate – Faculty Senator	(2021 – Present)
Leader: Darla Moore Undergraduate Case Competition Coordinator	(2019 – Present)
Faculty Advisor: CFA Case Competition	(2019 – Present)
Faculty Advisor: NIBC Case Competition (Undergraduate Finalist)	(2020)
Faculty Advisor: SE Hedge Fund Challenge	(2020 - Present)
Member: Non-Tenure Track Recruiting Committee	(2019 – 2020)
Member: PMBA Faculty Committee	(2020 – Present)

*Elon University*

Member: Love School of Business Assurance of Learning Committee	(2016 – 2019)
Member: LSB Undergraduate Research Group	(2015 – 2019)
Member: LSB International Business Curriculum Committee	(2015 – 2019)
Member: Elon University Disability Advisory Committee	(2017 – 2019)
Member: FIN 498 Honors Thesis Committee of Jacob Jimenez	(2016)
Member: Department of Finance Search Committee for Assistant Professor of Finance	(2015)
Leader: Duff & Phelps YOUNiversity Valuation Case Competition	(2016)
Leader: X-Culture International Business Case Competition	(2015)
Advisor: FIN 499 Undergraduate Research (4 students)	(2015 – 2018)
Advisor: FIN 498 Honors Thesis of Mason Stalph	(2015 – 2018)

**ACADEMIC:***Georgia State University*

Graduate Research Assistant	(Aug. 2007 – Aug. 2010)
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**INDUSTRY:**

*GL Trade/Sungard Systems* (July 2004 – July 2007)

**Senior Consultant:** Bangkok, Thailand & Chicago, IL (May 2006 – July 2007)

- Directed all new development of Fixed Income/Interest Rate system projects
- On-site Project Manager for implementation of real-time P/L and Risk Management system for a basis trading firm and designed new Futures Equivalent Position risk monitoring system,
- Designated Head Consultant for theoretical Swap Pricing and Zero Curve Construction for all Fixed-Income clients
- Chosen as lecturer for Interest Rate Training for FNX University, focusing primarily on Interest Rate Theory, Theoretical Bond Pricing, the Repo Market, Yield Spread Construction, and Yield Curve Sensitivity Analysis

**Consultant:** Bangkok, Thailand (July 2005 – May 2006)

- On-Site Project Manager for Fixed Income and Interest Rate monitoring system for the 4<sup>th</sup> largest Bank and largest fixed income trading floor in Thailand.
- Designed enhancements to support Thailand's Bilateral Repo Product and Thai Bond Pricing conventions.

**Analyst:** Philadelphia, PA (July 2004 – July 2005)

- Led Support for large Multinational Japanese client's Bond, Repo, Interest Futures, and CBO system
- Assisted in implementation of Japanese Inflation Index Bond and Mortgage Back Securities Risk Analysis system enhancements

## RESEARCH – WORKING PAPERS

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### ***Knowledge Assets and Firm Boundaries***

Using a novel deal/patent dataset from 1986 through 2005, this paper explores the role of knowledge flow on the firm boundary decision. I use patent self-citations and cross-citations from the United States patent database as a proxy to measure knowledge flow between and within firms. When analyzing partnerships (strategic alliances and joint ventures), I find that firms with a higher percentage of patent self-citations are more likely to choose a more integrative boundary. Additionally, the level of integration chosen is positively related to the frequency of cross-citations between firms following the formation of the partnership. Firms in partnerships also see higher abnormal returns around the partnership announcement date when their partnering firm has a higher percentage of self-citations. I find weak to no evidence that these results hold for mergers/acquisitions. Overall, the evidence suggests that knowledge assets do play a pivotal role in the firm boundary choice. (Under Review: Strategic Management Journal)

Presented: Asian Financial Management Association, July 2019

Presented: University of South Carolina, October 2018

Presented: Thammasat University, August 2015

Presented: Elon University, October 2013

Presented: Georgia State University October 2013

### ***Going Deep or Going Wide: Knowledge Investment Returns and the Choice to Diversify***

Having information about different technologies and innovations that span industries has been shown to be an important channel through which firms may create value. This paper, however, argues that the choice to diversify to acquire knowledge is stronger when existing returns on the industries investment in knowledge assets is low. By forgoing the focused approach, those firms choosing to diversify are more likely to invest in projects which span multiple industries instead of focusing on multiple projects within different industries. This paper uses the NBER United States Patent Database from 1976 through 2006 to track the source of knowledge used in developing new corporate patents. I show that firms with higher patent production from a single industry per dollar of R&D research are more likely to remain single segment firms while firms with lower single industry patent production are more likely to remain multi-segment firms. Additionally, multi-segment firms have a higher rate of cross-industry citations in comparison to their single-segment counterparts. These results may help explain the heterogeneity of diversified/single-segment firms within a given industry.

### ***Innovating Returns: Incentive Alignment and Acquirer Innovation in Mergers/Acquisitions***

Using a novel patent/merger dataset from 1992 to 2006, this paper shows that acquirer returns are significantly and positively associated with incentives of target firms in mergers likely related to corporate innovation. Specifically, this paper demonstrates that acquirer announcement returns in a sample of acquisitions of publicly held targets are significantly higher when bidders use stock as the method of payment in conjunction with a high level of equity based compensation among the target firms' executives and the target firm being more likely to have restrictions to knowledge flow. Furthermore, these higher announcement date returns translate into an increase in patent production and higher accounting performance following the completion of the merger. I conclude that synergies can be obtained from acquisitions if the target's incentives are aligned with the acquirer's in innovation related acquisitions.

## RESEARCH – WORKS IN PROGRESS

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### ***Mergers and Acquisitions in the Pacific-Rim: The Impact of Asymmetric Information on Target Premiums***

While the number of mergers and acquisition deals (the process in which one company buys another) in the western world has been decreasing over the past decade, there has been a boom in M&A activity in the Asian-Pacific region. Firms in the Asian-Pacific region also tend to exhibit larger information asymmetries between the firm and the market due to differences in corporate ownership structure which tend to be more concentrated. This paper, therefore, attempts to explore various channels of increased asymmetric information on the target premium paid by domestic acquirers in the Asian-Pacific region from 1985-2014. In particular, this paper investigates the impact of industry relatedness, financial crises, corporate innovation and heterogeneous financial development on the amount paid by acquirers compared to peer firms.

## *Industry Relatedness: An Examination of the Relation Between BEA Input/Output Tables and Patent Networks*

Past Finance and Economics empirical work has focused on the role of industry inter-relatedness and the boundary between firms. The primary methodology used to measure the degree of relatedness has been the Bureau of Economic Analysis (BEA) Input/Output tables. This paper proposes an alternative technique – using the United States Patent database to measure the technological overflow between firms and industries. The results indicate a high correlation between measures in industries with medium to high patent usage and the correlations are found to be consistent over time. The implications of the results are far reaching; since the patent data is firm-specific instead of industry-specific like the BEA measures, industry relatedness can be determined by self-determined industry definitions and decomposed down to firm-level. Additionally, relatedness can be identified on a yearly basis compared to the five-year window of the BEA measure.

### **PROFESSIONAL MEETINGS**

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- Attendee – Fixed Income and Financial Institutions Conference, Columbia, SC, 2021
- Attendee – Corporate Finance Conference in Honor of Jayant Kale, Atlanta, GA, 2020
- Presenter/Discussant – Asian Financial Management Association Conference, Ho Chi Minh City, VN, 2019
- Attendee – Financial Management Association Meetings, San Diego, CA, 2018
- Attendee – Financial Management Association Meetings, Boston, MA, 2017
- Attendee – China International Conference in Finance, Shenzhen, China, 2015
- Attendee – American Finance Association Meetings, Boston, MA, 2015
- Attendee – Conference on Financial Economics and Accounting, Atlanta, GA, 2014
- Attendee – Corporate Control Mechanisms and Risk, Center for the Economic Analysis of Risk and Department of Finance, Georgia State University, Atlanta, GA, 2014
- Attendee – American Finance Association Meetings, Philadelphia, PA, 2014
- Attendee – Financial Management Association Meetings, Chicago, IL, 2013
- Attendee – Institutional Investors: Control, Liquidity, and Systemic Risks, Center for the Economic Analysis of Risk and Department of Finance, Georgia State University, Atlanta, GA, 2013
- Attendee – Financial Management Association Meetings, Atlanta, GA, 2012
- Attendee – The 4<sup>th</sup> Paris Corporate Finance Conference, Paris, France, 2012
- Attendee – Incentives and Risk Taking, Center for the Economic Analysis of Risk and Department of Finance, Georgia State University, Atlanta, GA, 2012
- Attendee – American Finance Association Meetings, Chicago, IL, 2012
- Attendee – American Finance Association Meetings, Denver, CO, 2011
- Attendee – American Finance Association Meetings, Atlanta, GA, 2010
- Attendee – Financial Management Association Meetings, Reno, NV, 2009

### **HONORS & AWARDS**

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- University of South Carolina Professional MBA Curriculum Development Grant (2019 & 2021)
- Elon Summer Research Award (2015)
- Elon FR&D Course Release (2014)
- GTA Teaching Excellence Award – Georgia State University (2012 and 2013)
- Conference Travel Grant, 4<sup>th</sup> Paris Corporate Finance Conference (2012)
- Max Burns Fellowship – Georgia State University (2007 through 2010)
- GL Trade/Sungard Teacher of the Year (2006)

### **OTHER SKILLS**

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#### **COMPUTER SKILLS**

- Statistical: Stata, SAS, MATLAB
- Databases: Compustat, CRSP, SDC Platinum, ExecuComp, BEA Input/Output Tables, Datastream
- Other: SQL, Oracle, Sybase, UNIX Shell Script, Visual Basic

**LANGUAGES**

- French – Intermediate
- Thai – Intermediate

**PROFESSIONAL MEMBERSHIPS**

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- American Finance Association – Member
- Financial Management Association – Member
- International Association of Financial Engineers – Member
- CFA Institute – Member / Passed CFA Level 1
- Global Association of Risk Professionals – FRM Designation