President’s Message

Dear KAFA Members, Friends, and Supporters,

First, I would like to thank acknowledge the Financial News, Shinhan Bank, Korea Capital Market Institute (KCMI), Korea Institute of Finance, and others for their financial support to KAFA for the past few years despite financial difficulties during the global financial crisis.

As usual, we appreciate their hard work, Secretary General, Prof. Kim, Young Sang and Prof. Song, Kyojik (Korea) for their dedication for 2008-2009, and we warmly welcome our next President-Elect, Professor Kang, Jun-Koo who won unanimous KAFA ballot respondents.

This year, we also continue to appreciate outstanding research accomplishment through various research awards, to help develop new leadership and dedication, to encourage new members' participation, to find and support Korean-American Ph.d. students, and to participate into various research conferences and symposium with various Korean counterparts.

Our President-elect, Professor Chung, Kee Ho worked hard to finalize two KAFA-FMA sessions. We strongly recommend all KAFA members to attend those two KAFA-FMA sessions and annual business meeting on Friday evening.

With Warmest Regards

Hoje Jo

Hoje Jo
2009 KAFA President
Santa Clara University
I. Recent KAFA Activities

1.1. 2009 KCMI – KAFA Joint Seminar

On Wednesday, May 20, Korea Capital Market Institute (KCMI) and KAFA held joint seminar in Seoul, Korea under the topic of “Development of Corporate Finance: Theory and Policy.” The following four KAFA members presented papers:

- Choi, Seungmook (UNLV), “The issuance of callable, defaulatable bonds under information asymmetry.”
- Byoun, Soku (Baylor Univ and SKKU), “Why do some firms become debt-free?”

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

On Friday and Saturday, May 22, 23, eight KAFA members presented papers at the 2009 Joint Korea Finance Conference in Dogo, Korea:

- Kim, Suk Hi (Univ of Detroit Mercy), “Another dividend puzzle: Why do dividend-paying firms pay dividends quarterly?”
- Park, Kang H (Southeast Missouri State Univ), “Convergence test of money market rates in east asia.”
- Huh, Sahn-Wook (Brock Univ), “Illiquidity as a priced factor: Evidence from intradaily data.”
- Pyo, Unyong (Brock Univ), “On target debt ratios.”
- Jo, Hoje (Santa Clara Univ), “The quality and price of investment banks’ service: Evidence from the PIPE market.”
- Pyun, Chong Soo (Univ of Memphis), “Random walk and martingale difference hypotheses.”
- Kim, Young Sang (Northern Kentucky Univ), “Macro-level of institutional quality and market liquidity for non-US stocks.”
- Kim, Yong H. (University of Cincinnati), “Effective portfolio optimization based on random matrix theory.”

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

The annual joint conference was held on May 26th 2009 at the Korea Federation of Banks building in Seoul under the title of “Outbreak of the Financial Crisis and Post-crisis Policy Responses.” Two KAEA and two KAFA members presented papers. The following two KAFA members presented papers:

- Lee, Bong-Soo (Florida State Univ), “‘Sleeping with the enemy’ or ‘an ounce of prevention’: Sovereign wealth fund investment and market destabilization.”
- Chung, Sam Y. (Long Island Univ), “Hedge fund regulation vs. return manipulation.”
II. KAFA NEWS

2.1. KAFA New Officers

New President-Elect:
Professor. Jun-Koo Kang, Nanyang University

New Board Members:
TBA at the annual meeting in Reno, NV.

2.2. Two KAFA-FMA special sessions at the 2009 FMA annual meeting in Reno, NV

We appreciate great attendance in 2008 FMA meeting in Dallas, TX. We are expecting more attendance and participation at two special sessions in coming year 2009 FMA meeting. We appreciate Professor Kee H. Chung to organize two special sessions in coming 2009 FMA meeting in Reno, NV. **ALL KAFA members are strongly encouraged to attend two KAFA-FMA sessions and annual business meeting on Friday.**

- **Session 122 : Current Issues in the Korean Financial Markets**
  Friday (Oct 23), 8:30 a.m. - 10:00 a.m.
  Chairperson: Hoje Jo

- **Session 147 : Financial Research in the Asia Pacific Region**
  Friday (Oct 23), 10:15 - 11:45 a.m.
  Chairperson: Kee H. Chung
    Kam C. Chan, Western Kentucky University
    Carl R. Chen, University of Dayton
    Tan (Charlene) Lee, University of Auckland
  - Is Korea an Emerging Market?: A Study on the Classifications of Korea by Major Equity Index Providers
    Ki Beom Binh, Korea Capital Market Institute
    Jaemin Kim, San Diego State University
    Sean Sehyun Yoo, Belmont University
  - Investor Reaction to Women Directors in Singapore
    Eugene Kang, Nanyang Technological University
    David K. Ding, Singapore Management University
    Charlie Charoenwong, Nanyang Technological University
III. KAFA Board and Annual Business meeting/dinner

3.1. 2009 KAFA Executive Board Meeting
When: 3:00 P.M. Friday (Oct 23, 2009)
Where: Pyramid Room, Nugget Hotel, Reno, NV

Please plan to attend the KAFA executive board meeting for all of the following board members including new board members in this year.

 KAFA Executive Board

- President Hoje Jo, Santa Clara University
- President-Elect Kee Ho Chung, SUNY at Buffalo
- Vice President Bong-Chan Kho, Seoul National University
- Secretary General Young Sang Kim, Northern Kentucky University
- Secretary General KAFA Korea Kyojik (Roy) Song, Sungkyunkwan University
- Executive Board
  Yoon K. Choi (2010), University of Central Florida
  Sung C. Bae (2009), Bowling Green State University
  Kiyoungh Chang (2010), Indiana University South Bend
  Saeyoung Chang (2009), University of Nevada, Las Vegas
  Jun-Koo Kang (2009), Nanyang Technological University
  Chan Woong Kim (2010), Winona State University
  Wi Saeng Kim (2009), Hofstra University

3.2. 2009 KAFA Annual Business Meeting at Nugget Hotel, Reno, NV

When: 7:00 P.M. Friday (Oct 23, 2009)
Where: Bonanza AB on the 2nd floor of the convention, Nugget Hotel, Reno, NV
Sponsor: Korea Institute of Finance (KIF)

3.3. 2009 KAFA Special Membership Dinner

When: 6:30 P.M. Thursday (Oct 22, 2009)
Where: Sushi Moto. 748 S. Meadows Parkway, #A-11, Reno, NV 89521
(775) 853-4246, http://www.sushimotoreno.com
Sponsor: Korea Capital Market Institute (KCMI)
IV. 2009 Financial News and Shinhan Bank Awards Recipients

We are pleased to announce the recipients of the annual award for articles submitted to KAFA during 2008~2009. Congratulations to all award winners and finalists.

(1) Winner of the 3rd Financial News & KAFA Top-Journal Paper Award


(2) Winner of the 3rd Financial News & KAFA Doctoral Student Dissertation Award

Min, Byoung Kyu, “Labor income risk and the cross section of equity returns,” (coauthored with Tong Suk Kim and Dongcheol Kim), 2009, KAIST.

(3) Winner of the 3rd Financial News & KAFA Asian Financial Market Paper Award


(4) Winner of the 3rd Shinhan Bank & KAFA Best Financial Engineering Paper Award


(5) Winner of the 3rd Shinhan Bank & KAFA Best Bank Management/Investment Bank Award


V. Call for Papers/Awards for Year 2010

5.1. Call for the 4th Financial News & KAFA Top-Journal Paper Award
If you have papers published or accepted for the top three journals: Journal of Finance, Journal of Financial Economics, or Review of Financial Studies, during the period of September 2009 through August 2010, please provide us with the information for the consideration of this award. The author of the selected paper will be awarded a cash grants of $3,000 along with a plaque by the representative of Financial News at the annual KAFA banquet in the 2010 New York, NY FMA Meetings.

5.2. Call for the 4th Financial News & KAFA Doctoral Student Dissertation Award
If you are currently Doctoral student (ABD status) and going to defend your dissertation before September 2010, please submit your dissertation for the consideration of this award. Two dissertations will be selected for the awards. Each author will be awarded a cash grants along with a plaque by the representative of Financial News at the annual KAFA banquet in the 2010 FMA Meetings.

5.3. Call for the 4th Financial News & KAFA Asian Financial Market Paper Award
If you have Asian financial market related papers that published or accepted for high quality refereed journals, during the period of September 2009 through August 2010, please provide us with the information for the consideration of this award.

5.4. Call for the 4th Shinhan Bank & KAFA Best Financial Engineering Paper Award
The Korea America Finance Association (KAFA) and Shinhan Bank jointly announce that they will select the best research paper/proposal in the areas of the financial engineering written by KAFA members. The author(s) of selected paper/proposal will be awarded a cash grants of $2,500 along with a plaque by the representative of Shinhan Bank at the annual KAFA banquet in the 2010 New York FMA Meetings.

- Topics: The award will focus on a range of theoretical and empirical issues in the areas of risk management, asset management, trading (stocks/ bonds/ commodities/ derivatives), and financial product development with advanced mathematical and numerical techniques.

5.5. Call for the 4th Shinhan Bank & KAFA Best Bank Management/Investment Bank Award
If you have research paper/proposal working in the areas of the bank management/investment bank, please provide the information for the consideration of this award. The author(s) of selected paper/proposal will be awarded a cash grants of $2,500 along with a plaque by the representative of Shinhan Bank at the annual KAFA banquet in the 2010 New York FMA Meetings.

** Required information for the awards:  
- Title of the Paper, Author(s) (names, affiliations, phones, e-mails), Name of the Journal, Issue Date, Volume, and Page Numbers (if published), Copy of the Acceptance Letter (if accepted but not yet published), and Electronic Copy of the Paper  
- Submission Deadline: August 31, 2010  
- Submit material to: Professor Kee H. Chung, President, keechung@buffalo.edu
5.6. **Shinhan Bank and KAFA support the Ph.D. students**, who present a paper at the annual meeting of FMA 2010. Each Ph.D student will be awarded a cash grants of $1,000.

VI. Member News

6.1. 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 2009, and forthcoming are listed here.


S. Ghon Rhee, "The Impact of Short Sales on the Speed of Price Adjustment: Evidence from the Hong Kong Stock Exchange" (co-authored with Crystal Xiaopei Chen) forthcoming in *Journal of Banking and Finance*.


### 6.2. New Position/ Promotion/ Awards

- **New Position:**
  - Dr. Sojung Park. graduated from Upenn in May and joined the finance department at Cal State, Fullerton from 2009. New email address is: sopark@fullerton.edu
  - Dr. Jung Min Kim (OSU Ph.D.) is starting to teach at University of Connecticut as an Assistant Professor of Finance from 2009.
  - Dr. Huh Sahn-Wook is now at School of Management, State University of New York at Buffalo from Brock University. swhuh@buffalo.edu.
  - Dr. Seoungpil Ahn is now at Sogang Business School, Sogang University in Korea.
  - Dr. Kyojik Song (SKKU) is visiting at Baylor University for Fall semester.
  - Dr. Kwangwoo Park (KAIST) is visiting at University of Illinois.
  - Dr. Jaewon Choi is now at Penn State University at University Park as an assistant professor from Sep 2009. Previously he was at NYU phd program. The new email address is juc37@psu.edu.
  - Dr. Hyuna Park, Assistant Professor of Finance Minnesota State University, Mankato.
  - Dr. Jang Hyung Cho, Assistant Professor of Finance, San Jose State University
  - Dr. Byoung-Hyoun Hwang is teaching at Krannert School of Management, Purdue University as an Assistant Professor of Finance from 2009. Email: bhwang@purdue.edu
  - Dr. Seoyoung Kim is teaching at Krannert School of Management, Purdue University as an Assistant Professor of Finance from 2009. Email: srkim@purdue.edu
  - Dr. Sangwoo Lee has recently moved from City University of Hong Kong to Loyola University Maryland.
➢ Professorship: Award & Recognition:

- Professor Sung C. Bae at Bowling Green State University was appointed to the Ashel G. Bryan/Huntington Bank Professor for a three-year term starting Fall 2008.
- Professor Kee H. Chung awarded Dean’s Faculty Research Fellowship, SUNY at Buffalo, 2009.
- Professor Sahn-Wook Huh received Early Researcher Award ($190,000), Ministry of Research and Innovation of the Ontario Government, February 2009.
- Professor Sahn-Wook Huh received Best Paper Award in the Finance Division, “Illiquidity as a Priced Factor: Evidence from Intradaily Data,” Administrative Sciences Association of Canada (ASAC), Niagara Falls, June 2009.
- Professor Yong H. Kim is serving as Head of Department of Finance and Real Estate at the University of Cincinnati beginning 2009-10 academic year.
- Professor Chong Soo Pyun has been named as Suzanne Downs Professor of Finance.
- Professor Seung H. Kim, Director of The Boeing Institute of International Business at the John Cook School of Business, St. Louis University hosted the U.N. Secretary General, Ban, Ki-Moon as the Distinguished Guest Lecturer this year.

➢ Promotion:

- Professor Soku Byoun promoted to Associate Professor (Tenured) at Baylor University and visiting SKKU in this year.

VII. Other Announcement

7.1. Now our KAFA website (www.k-afa.org) is updated including KAFA news, membership, and members’ activities. Especially we now have updated KAFA Member records with life-time member, annual member and others. If you need KAFA members list in excel, please contact Secretary General (kafa1991@gmail.com).

7.2. 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.

7.3. Please pay your annual membership dues, or preferably, be a life-time member by paying one time due of just $300, mailed to: Dr. Young S. Kim, Dept of Economics and Finance, Haile/US Bank College of Business, Northern Kentucky University, Highland Hts., KY 41099.
THE KOREA-AMERICA FINANCE ASSOCIATION (KAFA)

Renewal/Application for 2009-2010 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. Young S. Kim, Haile/US Bank College of Business, Northern Kentucky University, Highland Hts., KY 41099,
or fax it to (859) 572-6627, phone: (859) 572-5160 or e-mail to "kafa1991@gmail.com”>
-----------------------------------------------------------------------------------------------------------------------------
<Keep this LOWER portion for your record.>

RECEIPT OF KAFA MEMBERSHIP DUES
I have paid KAFA annual membership dues for the year of 2009 - 2010 on _________________:

( ) $30; Regular and Guest Member
( ) $20; Associate Member
( ) $300; Lifetime Member