

**USC Leventhal School of Accounting**

3660 Trousdale Parkway ACC 101  
Los Angeles, CA 90089-0441

Phone: (213) 740-4838

Fax: (213) 747-2815

Email: LeventhalDeansOffice@marshall.usc.edu

CALENDAR

**August**

**26** First day of classes

**September**

- 12** Big 4 Panel
- 19** Mid-Tier Firms Career Fair
- 18** Risk Management Meet the Professionals
- 27** Meet the Firms

**October**

- 3** PACT reception
- 8** Risk Management Alpha Delta Pi event

**USCLeventhal**  
School of Accounting

**November**

- 1** Board of Advisors meeting
- 19** Risk Management Symposium
- 21** MAcc/MBT Thanksgiving
- 24** Leventhal Holiday Dinner

**December**

- 6** MAcc/MBT Holiday Party

Lifetime Achievement

**PROFESSOR EMERITA INDUCTED INTO AAA ACCOUNTING HALL OF FAME**

For Accounting Circle Professor Emerita of Accounting Zoe-Vonna Palmrose, the honors keep coming.

Before she retired from USC Leventhal in 2011, she had amassed a long list of them, including two American Accounting Association (AAA)/Deloitte Wildman Medals and the U.S. Securities and Exchange Commission (SEC) Law and Policy Award presented to the Sarbanes-Oxley 404 Team.



In August 2019, Palmrose will be inducted into the AAA Accounting Hall of Fame. This is an honor not given lightly. Since the establishment of the Hall of Fame in 1950, only 97 leading accountants have been elected.

“I was completely surprised by it and humbled really,” Palmrose said. “It’s just such a tremendous honor. I’m still adjusting to it.”

Induction into the Hall of Fame is akin to a lifetime achievement award. According to the AAA, “selection to the Accounting Hall of Fame is intended to honor and recognize distinguished service and contributions to the progress of accounting” through research and literature, service to professional accounting organizations, recognition as an authority, advancement of accounting education, and public service. Furthermore, “a member must have reached a position of eminence from which the nature of his or her contributions may be established.”

“I very much appreciate having my work recognized,” Palmrose said, “and it’s especially meaningful to me that it involves both my research and my public service activities.”

**A Distinguished Career**

Among the honors Palmrose has received throughout her career are: the AAA Competitive Manuscript Award, the California Society of CPAs Accounting Faculty Fellow Award and the AAA Auditing Section’s 2003 Distinguished Service Award. Palmrose also held the titles of Price Waterhouse Faculty Fellow, Price Waterhouse Auditing Professor and PricewaterhouseCoopers Auditing Professor.

LIFETIME ACHIEVEMENT, CONTINUED ON PAGE 14

The White Knight

*After EY and FASB, Dennis “Denny” Beresford ’61 helped fix WorldCom and Fannie Mae — and became a teacher*

When I told Dennis “Denny” Beresford ’61 that he could be called a superhero accountant, he laughed.

But seriously, he did swoop in to help repair major corporations’ accounting — more than once.

In 2002, Beresford was brought in as board director and chair of the audit committee to fix the WorldCom debacle — the world’s largest financial reporting fraud.

“After we resolved the accounting issues at WorldCom, we were able to emerge from bankruptcy, and we reorganized the company so we were a regular reporting company going forward,” Beresford said. “Almost immediately after, we received takeover offers from Verizon and Quest Communications, and a bidding war went on for a number of months. That was kind of exciting.”

WorldCom was finally sold to Verizon in January 2006, and a hectic year and a half with few days off came to a close. Shortly thereafter, he was contacted by Fannie Mae.

“They were just about to admit to major financial reporting problems they had with the SEC and another government regulator, and they wanted to add me to the board and name me to chair the audit committee to come in again and be the white knight and help clean things up,” he said. In May 2006, he started as board director and chair of the audit committee at Fannie Mae. That company’s accounting was quickly cleaned up, before it became a victim of the Great Recession.

**A Long List of Honors**

And that’s not to mention his role as a standards setter, most notably as chairman for 10 years of the Financial Accounting Standards Board (FASB) from 1987 to 1997, during which time



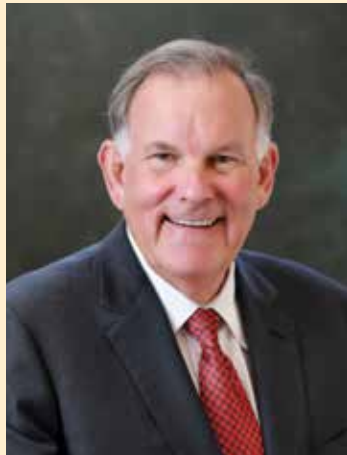
THE WHITE KNIGHT, CONTINUED ON PAGE 12

## A Word From the Dean

### To the USC Leventhal Community...

It wasn't a typical sunny day in Los Angeles on May 10, but the rain held off as 150 Leventhal undergraduates and 200 Leventhal graduate students received their diplomas.

USC's 136th Commencement was a historic one for us. In addition to undergrads, MAccs and MBTs, we graduated our first MAcc with Data and Analytics cohort.



And we were privileged to welcome Kelly Grier, EY's U.S. chairman and managing partner and Americas managing partner, as our Commencement speaker. One of *Fortune's* Most Powerful Women in 2018, Kelly is a thought leader who is leading the charge on diversity and inclusion at EY. In her speech, she talked about the values she said are essential to the accounting profession and cultivated here at Leventhal:

respect and integrity. We are thankful for the insights and advice she shared with our graduates as she welcomed 59 of them (and 51 more Trojans from other USC schools) to the EY family.

We also celebrate two Trojans who will receive prestigious achievement awards this summer: alumnus Denny Beresford '61 and Professor Emerita Zoe-Vonna Palmrose. We are delighted to share their stories with you. Denny has been inducted into the Directorship Hall of Fame by the National Association of Corporate Directors (NACD). That organization noted his service on the boards of Fannie Mae, Kimberly Clark, Legg-Mason and WorldCom. An exceptionally loyal Trojan, Denny plays a vital role in the Leventhal School's SEC and Financial Reporting Institute to this day. He spent much of his career at EY and also served 10 years as the chairman of the Financial Accounting Standards Board.

Zoe-Vonna will be inducted into the Accounting Hall of Fame by the American Accounting Association, American Institute of CPAs and The Ohio State University at the AAA annual meeting later this summer. She served as an exceptionally research active Leventhal School faculty member and was selected to serve as the deputy chief accountant for professional practice at the SEC and also served on the PCAOB's Panel on Audit Effectiveness.

Two of our current faculty members are receiving top honors from the American Accounting Association this summer. Patricia Dechow is the recipient of the 2019 Seminal Contributions to Accounting Literature Award. This is an impressive accolade which comes as no surprise to us, as Patricia is widely recognized as one of the leading accounting researchers in the nation. Clive Lennox will receive the 2019 *Accounting Horizons* Best Paper Award for his review of the archival literature on audit partners. We congratulate Clive for this recognition of his outstanding scholarship.

Two seems to be a magic number, as we also introduce two new faculty members to the Leventhal family: Francisco J. Román and Matt Shaffer. They bring a wealth of knowledge and experience, and we look forward to their contributions.

In addition to meeting our student Commencement speakers in this issue, we also introduce an undergraduate who launched a startup before he walked at Commencement, and another who visited the White House.

I hope you enjoy a little leisure time this summer and find inspiration and enjoyment in these stories that celebrate our Leventhal family.

**Fight on!**

Best Regards,  
**William W. Holder**  
Dean, USC Leventhal School of Accounting  
Alan Casden Dean's Chair

## USC Leventhal Welcomes New Professor: Francisco J. Román

Francisco J. Román joins Leventhal from George Mason University, where he was associate professor of accounting for six years.

Román earned associate degrees in marketing and management from Pima Community College and went on to earn a bachelor's and master's of economics and another master's in accounting at the University of Arizona. He worked as an instructor and research assistant at the University of Arizona while earning his Ph.D., and then took a position as assistant professor of management at Rice University's Jesse H. Jones Graduate School of Management. After that, he spent five years as an assistant professor of accounting at Texas Tech University's Rawls College of Business. His professional experience includes work at General Instruments, Louis

Enterprises Inc. and Becton Dickinson Corp.

With publications in the *Journal of Financial Economics*, the *Journal of Management Accounting Research* and *Accounting, Organizations and Society*, Román focuses his research on the effects of monetary incentives on individual and team performance; costing and systems of control; the implications of corporate governance reforms on financial reporting and tax avoidance at emerging capital markets; the impact of social norms on job performance; and

the effects of offshoring on labor and production costs. In 2011, he received the Best Paper Award from the *Journal of Management Accounting Research*.

Román says he is looking forward to the next chapter in his career: "I would like to thank the whole Leventhal School faculty for welcoming and inviting me to become part of this talented academic community."

### What attracted you to USC Leventhal?

My main consideration in joining USC and the Leventhal School of Accounting is the strong academic reputation it maintains worldwide on research and teaching excellence. In particular, the Leventhal School is known within the U.S. and globally as one of the premier accounting schools in the forefront of research and teaching. I wanted to be part of this great community of renowned scholars and talented students.

### What are your goals or priorities for your first year here?

I want to be fully immersed in all important aspects of the undergraduate accounting program and the MBA program too. This means getting to know our students, engaging with the clinical faculty and attending important functions within Leventhal

ROMAN, CONTINUED ON PAGE 15

## Deep Questions on Corporate Governance & Valuation

### Matthew Shaffer brings a passion for teaching and research to his new role as assistant professor

There probably aren't too many academics versed in both philosophy and accounting, but Matthew Shaffer is one of them. Drawn to tackling complex issues "all the way down to the bottom," he studied economics and intellectual history as an undergrad at Yale University. His thesis sounds pretty esoteric — 19th-century Germany philosophy of language — but he found a connection between philosophical inquiry and business analysis. What he discovered after graduation was that: "The questions that most excited and interested me were clustered around the core issues of accounting." Now, having completed a doctorate in business administration at Harvard Business School, he starts as assistant professor at USC Leventhal this summer.

Shaffer's primary research interests are corporate governance, valuation, and mergers and acquisitions. He is a co-author of a forthcoming paper in the *Journal of Financial Economics* that studies the role and efficacy of stock indexes as instruments of corporate governance. His dissertation studies the controversial question of the relevance of the third-party valuations and "fairness opinions" that U.S. targets are required to receive before accepting a takeover offer. He is the author of numerous Harvard Business School case studies and has taught financial statements analysis.

### What attracted you to USC Leventhal?

This one's easy: the faculty and students. Even before I visited USC, I could see the impressive breadth, depth and quality of research the faculty were producing. When I visited, I saw how constructively and creatively they engaged with research and ideas. I realized that, at Leventhal, I would have colleagues who would help me identify important unanswered questions, and then bring their expertise to every aspect of answering them. I also was impressed by the accounting doctoral students, whom I would be lucky to work with. And while I didn't get to interact with the undergraduate and master's students, I heard universally good things about the faculty's experience teaching them.

SHAFFER, CONTINUED ON PAGE 4



## LEVENTHAL by the Numbers

→ **59**

# of Leventhal grads joining the EY family  
(plus 51 more Trojans from other USC schools)  
(SEE DEAN'S NOTE, PAGE 2)

**2** ←

# of new faculty members joining the Leventhal family  
(SEE STORIES ON FRANCISCO ROMÁN AND MATTHEW SHAFFER, PAGE 3)

→ **10%**

increase in accounting jobs expected by 2026  
(SEE COMMENCEMENT ADDRESS ON PAGE 9)

**7** ←

# of years Greeks Meet the Firms has been held  
(SEE STORY ON PAGE 7)

→ **2**

# of American Accounting Association Hall of Fame  
members profiled in this issue  
(SEE COVER STORIES ON DENNIS BERESFORD '61 AND ZOE-VONNA PALMROSE)

SHAFFER, CONTINUED FROM PAGE 3

### What is your approach to teaching?

I love teaching because it's such an instructive challenge. The thing I try to focus on is inhabiting the minds of my students: Remembering what it is like to see this material for the first time, imagining what they are thinking, anticipating what terminology might confuse them or what appealing — but misleading — paths might tempt them, and drawing out their own reasoning and creativity. It takes a lot of energy, but I find it incredibly satisfying and instructive. It's a cliché, but I always learn so much from teaching, both because it forces me to reconstruct my own understanding of the subject from scratch and because students always give me a fresh perspective on things I had started to take for granted.

### You studied economics and humanities at Yale. What interested you in pursuing a Ph.D. in accounting at Harvard Business School?

So, I have a mundane answer to this question, and a slightly more unusual answer.

The mundane answer is that I've always had an academic inclination — I have lots of questions about the world, and I want to answer them fully, exhaustively, all the way down to the bottom. So, after majoring in economics (my college didn't offer a business or accounting major), it was natural for me to consider a business-school Ph.D. When I was working before grad school, deciding on my career path, I found that the questions that most excited and interested me were clustered around the core issues of accounting — questions of accountability, performance measurement, the allocation of control, misconduct, the flow of information, financial valuation, the whole process of representing and summarizing a firm's complex operations, etc. I took a night class in accounting and started perusing academic accounting papers, and I loved them. So at that point, it was a no-brainer.

Here's the more unusual answer: In college, I did my second major in the humanities, which puts me in the minority among business-school academics! My concentration was intellectual history, and I wrote my thesis on 19th-century Germany philosophy of language. The philosophers I studied challenged a Cartesian view in which the human mind, and its rational expressions in language, is like a mirror that *reflects* the world. Instead, they argued that the world in its "raw" form is far too complex for our minds to take in; so our minds and language compress and translate the world in a way that is *useful* for coordinating human action, but doesn't *reflect* reality like a mirror. And that is, in my view, the exciting problem of accounting. A corporation is an almost limitlessly complex entity. And yet, people need to make informed decisions and write contracts with respect to those corporations. So how do you "translate" and summarize a corporation in a way that people can use, and what are the effects of that process? Well, you could do many Ph.D.s on that basic question.

### Can you summarize the major findings of your dissertation?

In U.S. M&A deals, the directors of the target are effectively required to seek and consider "fairness opinions" — third-party attestations that the terms of the transaction are fair from a financial point of view — and supporting valuations before they can vote in favor of the deal. But there is, to put it mildly, lots of controversy and criticism around this process. First, concretely, there appear to be conflicts of interest and biased incentives — it is alleged that the fairness opinion providers have incentives to "rubber stamp" the deal instead of giving a truly independent valuation "audit." Second, more broadly, it is not clear what value these valuations — ultimately, the output of spreadsheet models, based on unverifiable forecasts — can provide when the target has a market-based signal about its value. Put differently, for a public target, why not just look at the market premium to determine if it's a good deal or bad deal for shareholders?

My paper has two major novel findings: First, I find that fairness valuations do appear to provide some relevant information about the value of the target that is not contained in its pre-deal stock (specifically, information about relative fundamental mispricing and transaction-level synergies). This arguably opens the door for fundamental valuation as a check on the transaction price, even when the target is public. Second, I use a methodologically novel approach to identify the bias and catering in the process — I find that providers toggle the discount-rate assumptions of their valuation models *ex post* in order to rationalize negotiated deal terms, rather than providing a truly independent valuation check.

I think these findings have some important implications for regulators, for boards and, more broadly, for our understanding of the value and role of financial analysis and expertise in corporate-control transactions.

### Interests outside of accounting?

Bikes and bikes. I like all kinds of riding — up and down mountain roads, on trails and weaving through the city. I love the freedom, the mobility and the wind in my face. I try to do as much transit as possible on my bike. It's amazing how small and familiar a city becomes when you learn how to navigate it on such a simple, perfect machine.

### After all those years on the East Coast, L.A. will be a big change. What are you most looking forward to?

I've spent my whole life so far on the East Coast. For many years now, I've kept feeling like California was the new center of the universe, and I was far away from it. As I start my career, I'm excited to simply be present where *so much* is happening and where I'll be surrounded by so many creative and ambitious people.

The only challenge will be learning to fit in in L.A. as a lifelong East Coaster. Will I need to ditch my tweed jackets and adopt a more laid-back air? Hopefully my USC colleagues and students will help guide me to transition to a California-cool aesthetic! ■

## Alumni Award Recipients

Three alumni were honored at the USC Leventhal Annual Dinner hosted by Dean William W. Holder on April 16, 2019, at Town & Gown.

The USC Leventhal School of Accounting  
Beta Alpha Psi (Iota Chapter) Outstanding  
Alumnus Award

### Robert Moore Dodson '86

Chairman of the Board and CEO, Ricardo of Beverly Hills, Inc.  
Director, Rath Foundation

The USC Leventhal School of Accounting  
Distinguished Alumnus Award

### Shawn Hagel '88

Executive Vice President & Chief Financial Officer,  
Precision Castparts Corporation

The USC Leventhal School of Accounting  
Distinguished Leadership and Service Award

### Kirk A. Thorell '96

Partner, PricewaterhouseCoopers LLP



## Invitation to the White House

*Founder of USC's Young Americans for Freedom (YAF) chapter attends executive order signing*

**O**n March 21, President Trump signed an executive order protecting freedom of speech on college campuses. More than 100 student activists joined him in the East Room of the White House — USC Marshall and Leventhal undergrad Maxwell Brandon '20 was among them.

"I think that, regardless of who holds the office, an invitation from the White House is a true honor," Brandon said. "Being in the room, only a few feet away from President Trump, as he signed the executive order was an incredible experience, one I will not soon forget."

About a week prior to the signing, the White House had sent a request to Young America's Foundation, a conservative youth organization, asking for a list of students who have contributed to the promotion of free speech on campuses across the nation. Brandon made the list.

As a sophomore, he had founded a Young Americans for Freedom (YAF) chapter (an affiliate of Young America's Foundation) at USC. In October, it was named Chapter of the Month — out of 400 YAF chapters.

"I was selected by the Foundation because they felt the USC YAF chapter, although young (not even 2 years old) has already made its presence felt here on campus," said Brandon. "Since I am Chairman, I seem to get most of the credit. But our Chapter has very dedicated members who make everything possible. I don't view the invitation as an invitation for Maxwell Brandon, but an invitation for the entire Chapter and USC community."

Brandon felt a swell of pride as he stood near the president: "Pride in knowing that what YAF is doing here at USC, and around the country, is making a difference worthy of recognition." ■

## Greeks Meet the Firms

*Alpha Delta Pi networking event brings Big Four to Greek Row*

**T**he seventh annual Greeks Meet the Firms networking event was held on Feb. 5 at the Alpha Delta Pi (ADPi) sorority house. The event connects university students from Greek-life organizations with professionals from the Big Four accounting firms. With recruiters from Deloitte, KPMG, PwC and EY, the networking was robust and targeted.

The Big Four campus recruiters included Kelsey Page (Deloitte), Lauren Marker '11 (KPMG), Angie Nastasi (PwC) and Greg Share (EY), in addition to other firm professionals, which included many alumni from Panhellenic and Interfraternity Council organizations, as well as student ambassadors.

The intimate, informal setting provided for more personal time with the recruiters and firm professionals. ADPi Scholarship Chair Emerson Taylor, ADPi President Danielle Kaiser, house mom La Wanna Dunn and parent Carol Taylor internally organized the house for the event and provided food and refreshments for all.

"I think it's a great opportunity to meet recruiters," said accounting student Quinn Cunniff '21. "There are fewer people here than at other recruiting events, so it's a lot more intimate. And because it's our group, they already know a little bit about our background so we can cut right to the chase."

Students submitted resumes to the firms in the hopes of landing coveted internships, spots in summer programs and permanent positions. The event targets Greeks who study accounting, business, engineering, computer science, economics and math, as well as students who self-identify as diverse. Attendees included students from Panhellenic and Interfraternity Council organizations, members of Greek-lettered honor societies and pre-professional organizations, diversity students and student athletes.

The event is sponsored by Zivia Sweeney, associate professor of accounting, and is an example of the depth of support and cooperation between faculty members and Greek groups on campus.

"I am so grateful for the support of the firms," said Sweeney. "This is the largest academic event held on the Row. I am extremely proud of the positive impact it has on getting more of our students exposed to the firms and the amazing career opportunities they offer."

The event is a win-win, however. "USC is one of the top five universities that our firm recruits from," said Marker, the KPMG recruiter. "USC students have such a great range of backgrounds — from engineering to accounting, and they come to us already successful as hardworking and polished professionals."

The firms are expected to return again in the spring of 2020. ■





## Two Degrees, Two Jobs and One Bright Future

*Eesen Sivapalan '19 surmounts incredible odds and finishes a standout graduate*

Eesen Sivapalan '19 surmounted more than his share of obstacles to get to Commencement on May 10 at USC. And he did a lot more than just squeak by. He managed to complete a double major in business and accounting and launch a startup with another Trojan. For his efforts, he was chosen to carry the USC Marshall banner as the Class of 2019 marched into the Galen Center.

Sivapalan, a native of Reading, Mass., spent the better part of high school in India when his father, a software engineer, was laid off during the financial crisis. When he came back to the States, it was to Huntsville, Ala., for Sivapalan's senior year.

"Yeah, it was a big culture shock," he said. He went to a nearby community college and applied to transfer to a leading private research university. Although he was accepted, his dad was laid off again, and the tuition was too expensive.

He stayed home for the fall semester, tutoring and reading books, and applied to the same school for the spring. He wasn't accepted this time so he went to the nearby University of Alabama, Huntsville.

"I knew I only had one more shot to transfer to a top business school," he said. Luckily, his brother who was a high school senior, got a letter from USC asking him to apply. He told Sivapalan to look at USC. He applied and was accepted.

"I had to wait for the financial aid offer because the financial situation at home was very unsteady," he said. "With scholarships and financial aid, I would only have to pay \$8,000 for my first year at USC. I was in tears because now I could go."

### Making It to USC

Sivapalan's brother got accepted at Berkeley, and meanwhile, their dad was laid off again. They convinced the whole family to move to California. Coincidentally, Sivapalan had an internship as a quality assurance test engineer, and the company had a branch in Fremont, Calif. "All the chips were lined up," he said. The family made a four-day road trip to the West Coast and his dad found a job.

His first semester, Sivapalan was feeling he had it made. "I was at

USC, one of the best schools in the country," he said.

Then in October, a fire destroyed his apartment. He stayed at the Radisson with his smoky belongings for two weeks. Five days before he was supposed to move back in, he was told he needed to find a new place to live. As a result, he dropped two classes and, consequently, his computer science minor.

His second year at USC wasn't any easier. "My mom had appendicitis, and I had to go home often to care for her."

After completing his second year, he took a year's leave of absence, during which he cared for his mother and worked full-time as an accountant "to help the family financially and gain some experience." He also drove Lyft on the weekends, 12 hours each day, to earn more. Sivapalan got a summer internship near home with Workday that paid him well and gave him free housing.

Then he returned to USC for his third year and made the most of it. He became president of the Hindu student organization (his parents are Sri Lankan), lead student intern with the Marshall Undergraduate Program Office, a member of Society 53 and Undergraduate Student Government, and a volunteer with Volunteer Income Tax Assistance (VITA).

"I'm part of VITA because I believe in giving back to the community," Sivapalan said. "USC has given me so much. I think it's important to give back."

### Launching a Green Company

Junior year Sivapalan also met Marshall student Rob Luo '19, with whom he started Mi Terro, a green fashion company with a social mission where he'll continue to work part-time after graduation.

When Luo told their GE class that he had started and sold a venture during a year off from USC, Sivapalan was intrigued. "I spoke with him after class, and said, if you ever plan another venture, please let me know because I'm always looking to gain experience in business and accounting."

By the end of the semester, the two were brainstorming ideas for a business that would also help the environment. "Making money sounded nice, but with this entrepreneurial venture, my focus was to learn and also to protect the environment and give back to our society," Sivapalan said.

TWO DEGREES, CONTINUED ON PAGE 16

## EY's Kelly Grier Delivers 2019 Commencement Address

Kelly Grier, EY's U.S. chairman and managing partner and Americas managing partner, delivered the commencement address to Leventhal graduates on May 10 at Epstein Family Plaza on the USC campus.

Dean William W. Holder told the audience that Grier, one of Fortune's Most Powerful Women in 2018, exemplifies the modern leader. "At EY, Kelly is leading the charge for diversity, inclusion and belonging. The diversity and inclusion initiative mirrors what we at Leventhal are all trying to accomplish," Holder said. "Kelly Grier is a thought leader whose deeds will be impactful for years to come."

Following is a transcription of Grier's speech:

Thank you, Dean Holder, and thank you to the faculty and the staff at USC Leventhal School of Accounting. It is truly a wonderful honor to be here and to be included in this wonderful celebration.

I had the opportunity to have lunch with Dean Holder and several faculty members and staff members, and I have to tell you they are beaming with pride today for the great achievements of everybody here today. I have to say, Dean Holder, your leadership is the reason that Leventhal has become the extraordinary institution it is today. [applause] Yes, please, to Dean Holder.

And as the leader of one of the largest employers of accountants, let me tell you how grateful we are for the exceptional talent cultivated here at Leventhal. And congratulations to your wonderful student speakers, both Celina and Miles. Our profession is fortunate to have people like you leading the way, and it fills me with such confidence to know that our future is bright with you entering the profession.

As a point of personal pride, it is especially exciting for me to welcome Miles to the EY family. Miles is an outstanding example of the leaders we bring on board to EY every year. And I'm thrilled that we actually have 110 Trojans that are joining the EY family this year, including 59 right here from Leventhal. And most importantly, congratulations to all the students of the Class of 2019 and to the family and friends who have supported you all along the way.

It is truly my privilege to be here today to deliver your commencement address, with emphasis on commencement. Today is not the end. Today is very much about the beginning.

**Kelly Grier** is EY's U.S. chairman and managing partner and Americas managing partner, leading more than 72,000 people in 31 countries, with annual revenue of \$15.6 billion.

Grier chairs the U.S. Executive Committee and Americas Operating Executive and represents EY in regulatory relationships. Her global leadership portfolio includes membership on EY's Global Executive, Global Practice Group and Global Accounts Committee. She serves as executive sponsor for EY's worldwide focus on diversity and inclusiveness.

During her 28-year tenure at EY, Grier has had extensive experience working around the globe as a client service partner and senior advisor on Fortune 500 Audit and Advisory clients. She is now a senior advisory partner on several of EY's largest accounts. She is a Certified Public Accountant.

Grier previously was vice chair, central regional managing partner, where she led 10,000 professionals across 15 states and 17 offices.

She also served as Americas vice chair, Talent, where she focused on creating an exceptional experience for all EY people in the Americas, and served on the Global Talent Executive.

Grier earned her B.A. in accounting at Saint Mary's College in 1991.

Outside of the office, she enjoys running, golfing and traveling with her husband, John, and son, Jack.

It's the beginning of your great next adventure. It's all about your future — and what an incredibly exciting future it is. You are about to embark on meaningful careers in incredible companies and organizations all around the world.

I want to tell you as someone who's been in this business for nearly three decades, there has never been a more exciting time to be in our profession, and there is no better way to begin a

COMMENCEMENT, CONTINUED ON PAGE 10



**COMMENCEMENT, CONTINUED FROM PAGE 9**

career in business than as an accountant because whether you're in London or L.A. or Tokyo, if you want to speak the language of business, you better speak accounting. Your fluency in this language is an incredible asset. It will help you to succeed in countless roles, across all sectors of the global economy, whether you're the CFO of a startup or the CEO of a global company.

Personally, I began my accounting career while still in college, as the controller of the [South Bend White Sox, an affiliate of the Chicago White Sox]. The first time I was audited I was actually a junior in college. So if you can imagine that, I was actually audited before I conducted my first audit. And I remember having to put the audit on hold so I could study for an accounting exam. And in hindsight, I can't imagine that filled the auditors with a lot of confidence. So now that I've made it to the so-called "big leagues," I've seen just how much you can do when you are equipped with this knowledge, when you've been trained to assess, interpret and give meaning to the numbers behind the bottom line.

Accounting is a launch pad to the most impactful careers in business. I've seen countless EY alumni go on to lead companies and chair boards and push the envelope in a broad array of sectors. In fact, currently there are 81 public company CEOs who are alumni of EY, and a full third of the SMP 500 companies have EY alumni serving on their boards. Perhaps this is why the jobs in accounting are expected to increase by 10 percent by the year 2026, making it one of the fastest growing occupations in the U.S.

But, of course, I know amidst all the excitement, there's a lot of uncertainty too. We're living in a world where half of the companies in the SMP 500 will be replaced over the next 10 years, where many of the jobs in the future, jobs that you may one day have, have not yet even been created. Already the landscape of work is changing. Where, how and with whom you work has already changed dramatically in the last couple of years. Your co-workers will include bots. At EY we actually have over 2,000 robots, and we literally name every one of them. We've rendered borders meaningless with our EY wavespace innovation centers, where we can simultaneously connect people from over 20 countries across 16 different locations collaborating on a project as seamlessly as being in the same room.

Disruption is very real. Every day I meet with clients who are trying to make sense of a world that's moving at warp speed and one that sometimes feels governed by forces beyond our control. But here's what I have to tell you today: You are ready. You have the tools to seize the opportunities of this extraordinary moment. You have everything you need to succeed no matter what comes your way because in addition to equipping you with the essential knowledge about how business works, your education has given you two other extremely important things: First, you have had the chance to explore your interests and you have learned the value of curiosity along the way. And second, you've had the chance to live the values that are essential to the accounting profession, those that have been cultivated here at USC Leventhal: a sense of respect and integrity that will serve you well throughout your careers.

So now as you set out into this world of so much change, you'll find it pays to be curious. You wouldn't have made it this far without your curiosity. It's kept you awake late at night researching the finer details of tax law changes or putting together a presentation on business combinations or cramming the extra hours to make sure you ace your final. And on that note, Starbucks would like to thank you all for your business.

It's that thirst for learning that led you here today, and it will continue to propel you forward because, Class of 2019, graduation is not the end of your education — far from it. Let me assure you that you will never arrive at a place in your life or career where you can't learn more, improve the way you do something or rethink your approach. That is especially true now in a world that's changing faster than ever. Anything that you master today is likely to change tomorrow. You'll never hone a perfect set of skills that prepare you for everything and every situation.

So instead, commit yourself to mastering the art of learning. As advanced as predictive analytics have become, no one and no algorithm can even begin to imagine all that the future has in store for us. When I was graduating, I can assure you nobody then could have imagined that an entire library of content could be carried around on a four-pound notebook or that people one day would be making a good living being an avatar relationship manager. And I certainly never would have predicted that one day I'd sit in meetings talking about the robots and drones in our workforce or data ingestion for our global cloud-based technology platform. But today that's just another day at the office.

With apologies to the excellent faculty at Leventhal, what's ultimately more valuable than all the knowledge that you have gained in your studies is your mindset: Be curious. Be unconstrained in your thinking. Be open to all possibilities. Be a dreamer, and dream big.

Secondly, and perhaps more importantly, are your values, your sense of what's right and wrong and your respect for others. I know that Leventhal is a place that has encouraged you to value everybody's perspective, no matter where they came from or who they are. Your mentorship programs and community outreach programs are a big part of that. Respect, integrity and teaming: these are the values that we seek in our people at EY. And the combination of these values cultivates trust, arguably the most valuable but often the most elusive thing in our world today.

Your actions are an expression of your values. And I'll share with you what I share with my EY family: You don't get to choose whether or not you're a role model. As a graduate of USC Leventhal, you only get to choose what kind of role model you're going to be — and everybody will be watching.

I know you're just starting out, but as I look at these graduating students, I see people who will lead global companies and chair powerful organizations, people who will lead teams that revolutionize our profession. And when you reach those heights of leadership, remember your values. Remember where you came

from. And remember how you show up and how you treat other people matters because ultimately when you stay true to your values of respect, humility and inclusion, that's what will allow you to become the best possible kind of leader, the kind of leader that people will follow through all kinds of challenges and transitions and disruptions. So let those values be your guide. I promise they will sustain you and help you navigate all kinds of change over the course of your life and career. There are challenges ahead, but also so many opportunities, and I know you will rise to achieve and meet them.

Finally, if you'll indulge me just one final piece of advice, this one comes from the kindred spirit I feel when I stand in the company of 361 fellow accountants. As you heard from Celina and Miles, we are a unique and, in my humble opinion, extraordinary species. We are driven, hardworking, ambitious people. These qualities serve us well in the business world, but they can crowd out the time in our lives for our friends and our family and even for ourselves. If I could go back in time, the advice I would give to my 21-year-old self just starting out is to work as hard at having fun with your friends and family as you do at getting to the next level at your job. You can do both. I promise you.

And what you don't realize now is that living a life enriched with friends and family and interests outside of work will actually make you a much more effective professional and a much more impactful leader. Think of it as a compounding benefit.

Congratulations again, Class of 2019. I wish you the very best as your great new adventure begins. Thank you. ■

**UNDERGRADUATE COMMENCEMENT SPEAKER**

**Celina Georgeadis**

**Degree:** Bachelor of Science in Accounting  
Magna Cum Laude  
**Hometown:** Marysville, WA

**Plans after graduation:** Joining JP Morgan Chase, Corporate Banking in Los Angeles

**Speech highlights:** "Today as we walk across this stage, we finish the last piece of our USC Leventhal puzzle. Take a step back and look at the picture on the box. The picture on the box is a picture of this graduating class, the hardest working, not to mention the most impressively talented, group of people I have ever met."

"The picture on the box is about a love of numbers and a love of business. Non-accountants in the audience may picture accounting as paperwork and pocket protectors, but allow me to explain why it's so, so much cooler than that. We're in the minutiae. We dig through financial statements, inventory records, codifications. We put pieces together that otherwise would seem completely disjointed — kind of like a puzzle. We don't just see the bottom line, the profit or the loss. But we see all the details that businesses took to get there. It's the difference between just seeing the picture on the box versus knowing every size, shape and direction of every piece within that puzzle. The picture on the box is about drive, it's about camaraderie, and really it's just about a downright love of accounting."



**GRADUATE COMMENCEMENT SPEAKER:**

**Miles Ellis**

**Degree:** Master of Accounting  
**Hometown:** Waco, TX

**Plans after graduation:** Returning home to Houston to begin career with EY

**Speech highlights:** "I can confidently say that USC offers one of if not the greatest recruiting experiences in the entire country, as we're given ample opportunities to meet, to learn from and to pick the brains of those who we truly aspire to be like one day."

"Not everyone can say they're being taught by former Big Four partners or world-class accounting and tax researchers. ... So in 10 or 20 years time, when we're still applying what we learned here at USC, ... I hope we can remember that it was those same professors who helped set us up for our success. What we've learned in the classroom has helped shape our careers and it's helped shape us. Cherish that."

"Beyond academics, I can confidently say that one of the most valuable things that USC offers is the relationships that we've made with each other, those who populate some of our fondest memories and who we know will continue to support us and stand in our corner in each step of our careers."



THE WHITE KNIGHT, CONTINUED FROM PAGE 1

close to 40 major standards were issued. Leading up to that leadership role, he had spent a combined five years on the Financial Accounting Standards Advisory Council and FASB Emerging Issues Task Force.

His role as watchdog for the financial world has been extensive, including work with the SEC Advisory Committee on Improvements to Financial Reporting, testifying before Congress about the Sarbanes-Oxley legislation (which finally got passed after WorldCom hit) and service on the Standing Advisory Group of the Public Company Accounting Oversight Board. He was chair of the American Institute of Certified Public Accountants' (AICPA) Accounting Standards Executive Committee and one of two U.S. representatives on the International Accounting Standards Committee.

Beresford is obviously one of the good guys. His day-to-day work has all contributed to a career of distinction, starting when he was an auditor and national director of accounting standards at EY and including 22 years as a professor and now executive in residence at the University of Georgia.

That's why the profession has celebrated his achievements with its highest honors, including the Lifetime Achievement Award from the California Society of CPAs, the AICPA Gold Medal for Distinguished Service, and the Institute of Management Accountants' first Distinguished Member Award. In 2004, he was elected to the American Accounting Association (AAA) Accounting Hall of Fame — an honor bestowed on only 97 accountants since its founding in 1950. And in 2012, he was selected by the *Journal of Accountancy* as one of the "125 People of Impact in Accounting," for having made a significant impact on the accounting profession since the AICPA was founded in 1887.

This summer, he adds another award to his long list. He will be inducted into the National Association of Corporate Directors Hall of Fame, after also being named among the NACD's Directorship 100, its list of the 100 most influential people in corporate governance, three years in a row (2007-2009).

"The recognition I've received through election to the Accounting Hall of Fame, Financial Executives International Hall of Fame and other awards has been truly unbelievable. But the new recognition as a member of the National Association of Corporate Directors Hall of Fame adds a broader dimension to my accomplishments," Beresford said. "Corporate directors are responsible for a wide range of business challenges, and being named to the NACD Hall makes me feel that I have achieved success beyond that 'just as an accountant!'"

**A Career in Four Acts**

Instead of "superhero accountant," Beresford might be more comfortable with being called a major role model since that implies that others can learn from him and emulate his work. He humbly insists that anyone can accomplish what he has simply by

listening for the knock of opportunity.

"I tell students, opportunity doesn't always knock twice," Beresford said. "I've been blessed with opportunities that came about because of things I had done earlier in my career, and I took advantage of them."

Beresford sees his career in four acts: auditor at EY, standards setter at FASB, educator at the University of Georgia, and board director of major companies including WorldCom, Fannie Mae, Kimberly-Clark and Legg Mason.

"I really enjoyed the heck out of each of these different career aspects at the time. I'm glad I did them. But I'm not sure I'd want to go back and do them again at this point," he said with a laugh.

"I like to say that each of my acts prepared me for the next one," he added. "There certainly wasn't any master plan. I didn't start off during my years at USC and say I was going to do these things in stages. Everything was pretty much just take it as it comes, and everything has worked out beautifully."

Yes, he really is that laid-back about the whole thing. The way he talks about it, he would have been content as an auditor his entire life. "My attitude at Ernst & Young was always: I am working hard, and as long as you guys continue to give me challenging opportunities and pay a reasonable amount, I'm happy. I have no reason to look for greener pastures."

When you're doing what you love, it doesn't feel like work. And Beresford loves accounting. "I went into accounting primarily because I liked numbers and I liked the way that there was usually a specific answer for most things in accounting." The practical side appealed to him as well. "Accounting has a lot of job security. ... Accounting is the language of business. It just permeates everything that we do."

**Outstanding Accounting Student**

Beresford describes his story as "small town boy makes good." "It wasn't exactly a small town, Los Angeles, but it's a lot bigger now than it was when I was there," he said.

Beresford transferred to USC from El Camino College in 1959. "I think I was the first junior college transfer in the accounting program, and there probably weren't many transfers at USC period," he said. "Most everybody that went to USC was relatively well off. I worked my way through school. I went to junior college my first two years mainly because I couldn't afford the tuition at USC. I was not the typical USC student back then."

For his first three years of college, he worked part-time as a grocery clerk, and his last year part-time with an accounting firm. But he realized he was treating his education as the part-time job when he visited Prof. Foster James at the end of his first semester at USC.

"I had quit my grocery clerk job. When it came to Christmas break, I was going to take a week or so extra off school and work for UPS, loading trucks," Beresford said. "I told Professor James I would

miss the next two class sessions because I really needed to work to stay in school.

"He leaned back in his chair and he said — I'll never forget these words — 'Young man, do you want to become an accountant?' That's all he said.

"I decided it was more important to show up for his class than to work that week. The brief conversation with Professor James made me realize, probably for the first time, that education was most important to me and that I was going to have to prioritize it."

And did he ever prioritize — Beresford ended up winning the Price Waterhouse award for outstanding accounting student.

Though his USC experience was almost 60 years ago, he still has fond and vivid memories. He remembers Prof. James as a "task master," but he thrived under the pressure that other students might have despised. "He did something I've never seen anyone else do in any other class: all his exams except the final were unannounced."

Even back then, USC had communications requirements for its accounting students, something Beresford greatly appreciated. He saw the advantages of having learned to write well when he entered public accounting. "There were a lot of people who could talk a good game but couldn't write worth a crap," he said.

He put his skills to good use in his nearly 100 publications and more than 800 professional presentations, as well as interviews with media such as *The Wall Street Journal*, *The New York Times* and *Business Week*.

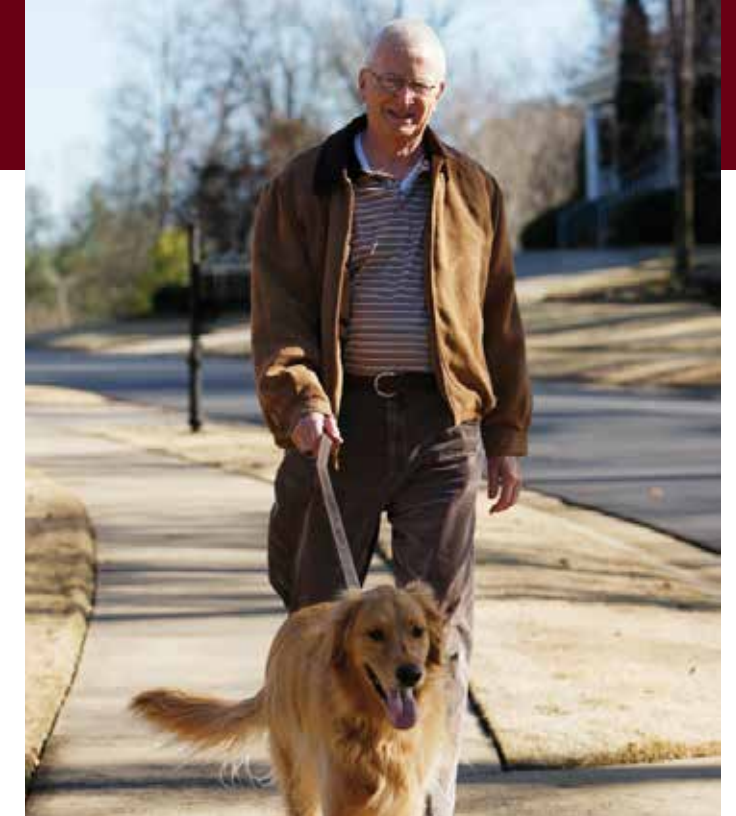
Fifteen years after he graduated, he got a letter from Prof. William Himstreet, head of communications in the School of Business who had written the definitive textbook on the subject. "He was working on updates to his textbook and was putting some blurbs on the cover and wanted to know if I would endorse the book," he said. "He knew I had accomplished some things in my career and remembered me as an excellent student. I thought that was one of the nicest honors I ever received."

And well before Beresford's high-profile accounting accomplishments, USC recognized him as a leader in the profession. In 1983, he received the School of Accounting Distinguished Alumnus Award, and in 1986, Beta Alpha Psi named him National Accountant of the Year.

**Keys to Success**

After graduating USC, Beresford spent 10 years in EY's L.A. office, working with clients including *The Los Angeles Times*, Northrop Corporation, Western Bancorporation, and the Los Angeles Angels and Rams. He stayed involved with his alma mater, helping the firm with recruiting activities and going to Beta Alpha Psi meetings.

When he was given the opportunity to transfer to the national office in Cleveland with the understanding he could return to L.A., where he and his wife were both born and raised, he took it. He stayed as chief accounting technical partner for 16 years.



He stayed involved with USC as his career advanced. He was invited back to speak to students and at Leventhal's SEC and Financial Reporting Institute Conference, which he attends annually. He also served on the Board of Advisors for several years before and after FASB. (He was invited to join the faculty, but, unfortunately for us, he didn't want to move back to Los Angeles.)

One year, during his term as chair of FASB, then-Dean Ken Merchant asked him to speak at graduation. His address started in a memorable way.

"The event was held in an auditorium on campus on a very hot day," he said. "There was no air conditioning in the auditorium, and the temperature in the room was easily in excess of 100 degrees! Sweat was pouring down my face, and I'm sure it was the same for nearly everyone in the large, crowded room.

"Ken had asked in advance for the title of my presentation, and I made up 'Keys to Your Success.' When it came time for my presentation, Ken gave me a nice introduction listing some of my background, etcetera. Then he said, 'Now, Denny Beresford will tell you the Keys to Sex.' I'm not sure if his slip was due to the heat, general nerves or what, but it got a little confused laughter from the audience.

"I began by thanking Ken for the nice introduction. But I then said something like, 'I don't really consider myself an expert on the topic Ken just mentioned, but I will try to give you a few suggestions on how to succeed in accounting and life in general.' That got a much bigger laugh!"

**War Stories**

Beresford obviously loves to tell stories. And his career is full of some great ones. One of his favorite stories to recount also happened while he was FASB chair.

In 1994, FASB proposed a standard on stock options that became

**THE WHITE KNIGHT, CONTINUED FROM PAGE 13**

highly controversial. “We were proposing to require companies to reduce their net income by the value of the options they were granting to employees,” he explained. “The Silicon Valley companies felt that this was going to be the end of them almost, that they were going to have their work forces decimated or stock prices would collapse. All kinds of terrible things were going to happen, and they were petitioning Congress and using every effort they could to overcome this.”

So one day Beresford was flying with Jack Welsh, then-CEO of General Electric Company, on his corporate jet, and the subject of accounting for stock options came up. “He didn’t like the position I was taking, and he yelled up to the pilot and said, ‘Is there any way we can toss this guy out of the plane?’ At 30,000 feet!” Beresford said. “He was obviously not serious, but it makes an interesting story.”

That standard did not go forward at the time. “Because of the intense pressure and because we received almost no support from companies or accounting firms or Washington, we backed down considerably,” he said. “What we did in the final analysis was to require companies to disclose what the effect would have been had they expensed options. They just had to tell the public in a footnote to the financial statement.”

It was a compromise, but several years after Beresford left, FASB revisited that issue and did go ahead and require companies to expense options. “And the world did not end,” he said.

As Ernst & Young Executive Professor of Accounting at the J. M. Tull School of Accounting, Terry College of Business, University of Georgia from 1997 to 2013 and executive in residence since then, Beresford has enjoyed sharing stories from some of the critical moments in recent accounting history with his students. And they love to hear them.

“All the students want to hear is war stories,” he said. “It’s about being able to bring the textbook to life, and while textbooks always use examples, I can talk about things I’ve actually lived.”

For instance, he was teaching at the time he was at WorldCom and would come into the classroom with some (not all) of his war stories from that very week. “I think that was pretty cool for the students,” he said.

As Beresford said, opportunities followed from opportunities. His reputation for integrity at EY and FASB got him the WorldCom role when he was referred by his former boss and longtime chief executive at EY Ray Groves.

“Having an opportunity to be inside of and help the company recover from the largest financial reporting fraud in history was something that an accountant — a person who loves accounting — couldn’t turn down,” he said. “The first six months or so was a nightmare. ... I kept questioning myself why I got involved, but in the long run, it was probably the highlight of my career.” ■

**PALMROSE, CONTINUED FROM PAGE 1**

As an AAA Presidential Scholar in 2008, she gave a lecture on “Science, Politics and Accounting: A View From the Potomac,” which was subsequently published in *The Accounting Review*.

Palmrose was also recognized as an influencer beyond her own field. She was one of *Business Finance Magazine’s* Influencers in 2004, 2005 and 2007, and one of *Treasury and Risk Magazine’s* 100 Most Influential People in Finance (June 2008).

Having published extensively on issues related to the quality of financial reporting and auditing, Palmrose recently had two publications in *Accounting Horizons*, one on audit quality and the other on economic analysis of auditing standards.

Her public service work has included serving on the Panel on Audit Effectiveness, appointed in 1998 at the behest of the (then) chairman of the SEC to review audits of public companies. As a member of the Auditing Standards Board Fraud Task Force, she helped draft the standard on consideration of fraud in a financial statement audit.

And most importantly, she was Deputy Chief Accountant for Professional Practice in the Office of the Chief Accountant at the SEC while on leave from USC between 2006 and 2008, while USC Trustee Christopher Cox ’73 was SEC chairman. Her group had the lead on coordinating the commission’s oversight of the Public Company Accounting Oversight Board (PCAOB), and was involved in other SEC matters related to audit.

“My public service work has been tremendously rewarding, and I’ve learned a lot from it,” Palmrose said. “I feel very fortunate.”

Even though she retired from teaching for the second time two years ago, after teaching on the faculty at her MBA and Ph.D. alma mater, the University of Washington, she is still involved in public policy work and serves on advisory boards.

Plus, she serves on the executive committee and advisory council for Leventhal’s annual SEC and Financial Reporting Institute Conference. “One of the things that was important for me at USC was the wonderful interaction between academia and practice that USC was really at the forefront of,” Palmrose said. “USC was the first in organizing an SEC Financial Reporting Conference, and that brought great interaction and helped to facilitate my public policy work.”

**A Lot to Miss at USC**

Thinking back on her time on the faculty here, Palmrose said there is a lot to miss. “Obviously the students for one. I had wonderful students. I certainly do miss them,” she said. “I also had some wonderful colleagues across campus. There are several that I learned so much from, including Bob Trezevant (who is no longer with us) and K.C. Cole in the Annenberg School.”

“USC was a very special place for me to be for my career,” she said. “I very much appreciate the support of the deans from both the Leventhal and the Marshall schools and my faculty colleagues.

“Part of the reason for me getting this award is the support I’ve received and the environment that USC created. I want to thank the entire Trojan Family.” ■

**ROMAN, CONTINUED FROM PAGE 3**

and Marshall. During this transition period, it is important to learn the culture of the institution. Therefore, I want to familiarize myself with the functioning and teaching norms of the Leventhal School of Accounting.

**Your teaching evaluation scores at George Mason were outstanding. How do you make your classes engaging and effective?**

My view is that teaching is more trial and error rather than skill. Put simply, throughout the years, I’ve learned that to be an effective teacher one must adapt to the school environment, especially the student audience. In this regard, a certain teaching approach which works well at one particular school may not always be as effective at other institutions. For instance, at one school, I taught a managerial accounting course with great emphasis on business cases. Students were very receptive to this approach. On the other hand, I tried to use the same approach at other schools and things did not work as well. To make my classes interesting, I try to engage students in in-depth discussions as to how accounting data is used in the real world in many business decisions and also how accounting helps in managing and controlling business operations. I want my students to become critical thinkers as they might be exposed to many of these decisions in the proper use of accounting data in their professional careers.

**What do you enjoy most about teaching?**

The fact one is making a positive contribution in people’s lives is very rewarding. Helping prepare a young generation of students to start their professional careers as accountants is very gratifying.

**You studied management, marketing and economics as an undergrad and grad student. How did you become interested in accounting?**

Although as an undergraduate majoring in economics I took a few accounting courses, it wasn’t until my first professional job that I was fully exposed to accounting. On my first job as budget and cost analyst at a large factory in Northern Mexico, I learned first-hand most of the critical functions and intricacies in the field of cost accounting, such as the formulation of budgets, measuring and controlling production costs, and the approaches to costing products. All these are critical functions in the field of managerial and cost accounting and are indistinguishable from what we teach in the classroom.

**How does your experience outside academia inform your teaching?**

My view is that work experience is a critical element in teaching accounting courses. The field of accounting is perhaps one of the few academic disciplines in which what is observed in the real world in terms of accounting enters very naturally into our teaching. Put simply, the concepts and theories imparted in the classroom are indistinguishable from what we observed in practice. For example, whether we teach general accepted accounting principles, tax rules, auditing standards or the approaches to costing products and services, in all instances we inform our teaching from the existing

accounting methods and procedures practiced inside firms. Work experience plays a critical role to enriching teaching in the field of accounting irrespective of the course being taught.

**What do you enjoy most about your research, and what are some of your significant findings?**

My research is quite diverse and aims to examine issues of relevance to practice within the scope of empirical managerial accounting, such as the effects of team-based incentives on group productivity, the consequences of manufacturing arrangements offshore and others. For instance, one of the main areas of my research focuses on examining the effects of labor offshoring on firms’ financial performance. Also, my colleagues and I recently investigated the causes as to why some firms are more successful and others fail after relocating manufacturing operations from the U.S. to lower-wage countries abroad.

**What does it mean to be a KPMG Scholar in the Ph.D. Project, which you have been since 2003?**

The Ph.D. Project is an important arm of the KPMG foundation. The main objective is to help underrepresented minority students (Hispanics, African Americans, Native Americans) to pursue careers in academia, mainly to become full scholars in the fields of accounting, finance and other business disciplines. Specifically, the program assists with a monetary stipend for four straight years to any member of an underrepresented minority toward the completion of a Ph.D. Once you graduate with a Ph.D., you become a KPMG scholar for a lifetime and mentor new students who enter the program. I must further say, it is one of the most generous programs as it has helped countless minority students, such as myself, in fulfilling our dreams of becoming full-time scholars. Since its inception, hundreds of students have graduated with Ph.D. degrees. They have joined countless universities within the U.S. and abroad. The program has been very successful in promoting diversity at business colleges throughout the U.S.

**Where did you grow up?**

I spent a good part of my childhood growing up in Northern Mexico. First, during my early childhood years, we lived at Ciudad Obregon, Sonora. Then, during my adolescence, we relocated to Los Mochis, Sinaloa. Los Mochis is a picturesque coastal city at the Sea of Cortes. It is located about 500 miles south from the Arizona-Mexico border. Both of my parents and immediate family still reside there.

**What are your hobbies and interests?**

I enjoy running, but I do not run as much due to injuries. I like the outdoors. Moreover, I am an avid enthusiast of vintage Land Rovers and classic old cars. Throughout the years, I have owned a few Landies (mostly series and NASDefenders). I must further say, it is a love and hate relationship as they tend to break a lot.

**What would you most like your colleagues to know about you?**

That I am here to help the Leventhal School in any capacity to better serve our students. Also, I am a team player and looking forward to working closely with each member of the faculty and establishing friendly relationships. ■



## TWO DEGREES, CONTINUED FROM PAGE 8

A self-avowed environmentalist from childhood, Luo thought fashion would be an ideal industry to get into and change from within. “Fashion is the second most polluting industry in the world,” he said.

They came up with a premium duffel suitcase made of cork and recycled ocean plastic that was sustainable, environmentally friendly and cruelty-free.

Luo learned about Portuguese cork (a sustainable resource from the bark of cork oaks — the tree isn’t cut down) in a KPMG competition he participated in. Cork is lightweight, resilient and water resistant. In homage to the material, they gave the company a Portuguese name: Mi Terro means My Earth.

Plastic from the oceans is recycled and repurposed for the handles, zippers, linings and utility pockets. Each bag removes three pounds of plastic from our oceans.

Moreover, Mi Terro will plant a tree for every bag purchased. If customers ever want to get rid of the bag, Mi Terro will send them a mailing label to return it for recycling, and throw in a coupon for a discount on their next order.

### A Winning Idea

When Luo first told friends about their idea for the duffel suitcase, they were skeptical. “Nobody believed this product would come to life or anyone would buy it,” he said.

But Luo and Sivapalan and their Mi Terro co-founders — Joshua Xiao ’20, Primo Mu (computer science) ’21 and Ploypatchara Tangpanitanon MSEI ’19 — thought otherwise. In January 2018, they set to work and had a prototype ready for show by August.

Fast-forward to February 2019 and the launch of Mi Terro’s duffel suitcase on Kickstarter. Suddenly, people were interested indeed.

“We were fully funded in less than 22 hours,” Luo said. “We hit the \$5,000 goal in three days and surpassed the \$10,000 goal in less than 15 days.”

Apparently, a travel bag made of cork and plastic is a good idea. So far, Mi Terro has backers in 24 countries.

“The most exciting part is we are over 370 percent funded at this point,” Luo said. “And the number is still growing rapidly.”

In April, Mi Terro was one of the winners of the 2019 New Venture Seed Competition sponsored by the Lloyd Greif Center for Entrepreneurial Studies.

“My eventual goal for Mi Terro is to become the biggest green lifestyle brand in the world — and plant 1 million trees,” Luo said. “We want to inspire more people to join us. We want to teach other generations that we can pursue our dreams and care for our environment at the same time.”

### Making the Most of Opportunities

“I never thought that I would have started a company with Rob. I never thought I’d be coming back to USC so soon either. But it all worked out, and I have a full-time job with Workday consultants that I’ll start in September,” said Sivapalan.

The most important thing he learned was: Never get too complacent. But his favorite quote comes from the book *The Alchemist*. “When you truly desire something, the whole universe conspires to help you achieve it,” Sivapalan said.

Not that you sit back and let the universe do the work for you, he added. “If you really want something, you have to put yourself in position to get it. You have to make the most of the opportunities around you, make connections and stay in touch with those you care about.” ■



Regina Wittenberg Moerman



Maria Ogneva



Patricia Dechow



Clive Lennox



Shirley Maxey



David Tsui



Ken Merchant

## FACULTY news

### COMMENCEMENT AWARDS

#### Golden Apples for Excellence in Teaching

Merle Hopkins—Core Teaching  
Julie Suh—Elective Teaching

#### Dean’s Award for Research Excellence

Regina Wittenberg Moerman

### DIAMOND TEACHING AWARDS

#### MAcc Diamond Teaching Award—Core

Clive Lennox  
(Advanced Financial Statement Auditing Topics)

#### MAcc Diamond Teaching Award—Elective

TJ Wong  
(Accounting and Corporate Governance in Global Business)

#### MBT Diamond Teaching Award—Core

Jack Barcal  
(Tax Theory and Ethics)

#### MBT Diamond Teaching Award—Elective

Patti Mills  
(Advanced Partnership Taxation)

#### MAcc D+A Diamond Teaching Award—Core

Pat Kinsella  
(Auditing in the Enhanced Data Age)

### APPOINTMENTS

#### Patricia Dechow

Patricia Dechow was named the managing editor of *RAST, The Review of Accounting Studies*.

#### Maria Ogneva

Maria Ogneva was appointed an associate editor for *Management Science*.

Ogneva was also appointed an associate editor for the *Journal of Accounting Research*.

#### Regina Wittenberg Moerman

Regina Wittenberg Moerman was appointed a senior editor for the *Journal of Accounting Research*.

### AWARDS & HONORS

#### Patricia Dechow

Patricia Dechow is the recipient of the 2019 Seminal Contributions to Accounting Literature Award from the American Accounting Association for her article, “Accounting Earnings and Cash Flows as Measures of Firm Performance: The Role of Accounting Accruals,” published in the *Journal of Accounting and Economics* in July 1994. The award recognizes works that have stood the test of time and have contributed in a fundamental way to later research. It will be presented to Dechow in August at the AAA 2019 Annual Meeting in San Francisco.

#### Merle Hopkins

Merle Hopkins received the 2019 CalCPA Outstanding Accounting Educator Award in June. This award recognizes demonstrated excellence in teaching and/or endeavors in research over a sustained period of time.

#### Clive Lennox

Clive Lennox and his co-author, Xi Wu of the Central University of Finance and Economics, China, are the recipients of the 2019 *Accounting Horizons* Best Paper Award from the American Accounting Association for their article, “A Review of the Archival Literature on Audit Partners,” which was published in the June 2018 issue. This award will be presented to the authors, along with a \$2,500 prize, in August at the AAA Annual Meeting in San Francisco.

#### Shirley Maxey

Shirley Maxey was initiated into the Skull and Dagger Society.

#### Zivia Sweeney

Zivia Sweeney was awarded the Outstanding Faculty of the Year Award by the Greek Council.

Sweeney was also awarded the Fight On! Award, for teaching and engagement, from the Center of Black Student Affairs.

Sweeney’s personal story was selected by the Sol Price School’s Moving Forward multimedia project, Race Relay, which was presented as part of USC’s Visions and Voices Initiative.

### MEDIA MENTIONS

Kristen Jaconi was quoted in a *Wall Street Journal* article about driver protests ahead of Uber’s IPO: <https://www.wsj.com/articles/drivers-lead-protests-ahead-of-uber-ipo-11557337543>

### PUBLICATIONS

#### Shane Heitzman and Maria Ogneva

Shane Heitzman and Maria Ogneva’s paper, “Industry Tax Planning and Stock Returns,” was accepted for publication in *The Accounting Review*.

#### Clive Lennox

Clive Lennox’s paper (with Andrew Finley, Mindy Kim and Phillip Lamoreaux), “Employee Movements From Audit Firms to Audit Clients,” was accepted for publication in *Contemporary Accounting Research*.

#### Ken Merchant

Ken Merchant’s paper (with C. Stringer and P. Shantapriyan), “Setting Financial Performance Thresholds, Targets and Maximums in Bonus Plans,” was published in the *Journal of Management Accounting Research* 30(3).

#### David Tsui

David Tsui’s paper (with Wayne Guay and John Kepler), “The Role of Executive Cash Bonuses in Providing Individual and Team Incentives,” was accepted for publication in the *Journal of Financial Economics*.

#### Regina Wittenberg Moerman

Regina Wittenberg Moerman’s paper (with Urooj Khan, Xinlei Li and Chris Williams), “The Effect of Information Opacity and Accounting Irregularities on Personal Lending Relationships: Evidence From Lender and Manager Co-migration,” was accepted for publication in *The Accounting Review*.

#### Forester Wong

Forester Wong’s dissertation, “Wolves at the Door: A Closer Look at Hedge Fund Activism,” was accepted for publication in *Management Science*.

### STUDENT ACCOMPLISHMENTS

Two teams of Leventhal MBT students participated last fall in the annual Deloitte FanTAXtic case competition. Team A took second place. Team members were: **Dianne De Leon**, **Crystal Her**, **Stefan Shortt**, **Wanrou (Emily) Wu** and **Seung Zae (Justin) Yoo**.