

FINANCIAL MARKETS RESEARCH CENTER

Owen Graduate School of Management

Vanderbilt University

Nashville, TN 37203

Conference on Securitization

April 17-18, 2008

Securitization is a pervasive feature of today's financial markets. For example, mortgages are packaged into pools against which collateralized mortgage obligations are issued. Similarly other kinds of debt claims - car loans, credit card receivables, etc. - are packaged and repackaged. Securitization is also common in equity markets as stocks are bought and packaged into pools and resold, e.g. as investment company or hedge fund shares.

While securitization creates liquidity and diversification, the process of securitization also raises a number of important issues. Do the ultimate owners of assets know the quality of the underlying assets? Is there sufficient transparency? What is the role of credit rating agencies and credit insurers in assessing the risk of the underlying assets? What mechanism exists for maintaining the link between the price of the final securitized assets and the underlying claims? In the equity markets, this issue arises with hedge funds and closed end funds where the market price of the fund can deviate from the net asset value of the underlying securities. The recent asset backed credit crisis and the associated write-downs by major financial firms have heightened concern about some of these issues.

The 21<sup>st</sup> conference of the Financial Markets Research Center at Vanderbilt will examine some of the issues raised by securitization as well as other developments in financial markets. Participants include academics, industry leaders, and regulators. Expenses of academic presenters will be reimbursed. Attendance is by invitation.

The conference takes place all day Thursday, April 17, and half day Friday, April 18, followed by post conference activities.

Main hotels:           Loews Vanderbilt Hotel, 2100 West End Avenue, 1-800-336-3335  
                              Hampton Inn Vanderbilt, 1919 West End Avenue, 1-888-880-5394  
                              Courtyard by Marriott, 1901 West End Avenue, 1-800-321-2211

Room blocks under "Vanderbilt University- Financial Markets Research Center" will be held until March 17 at the main hotels.

Alternative hotels:

Embassy Suites, 1811 Broadway, 615-320-8899  
Hampton Inn & Suites, 2330 Elliston Place, 615-320-6060  
Marriott at Vanderbilt, 2555 West End Avenue, 614-321-1300

#### Conference location

Owen Graduate School of Management, Averbuch Auditorium. Located at the corner of 21<sup>st</sup> Avenue and Grand Avenue. Within an easy walk of conference hotels.

#### More information

Contact Pat Scott at 615-322-3671, [pat.scott@owen.vanderbilt.edu](mailto:pat.scott@owen.vanderbilt.edu). For more information on the Financial Markets Research Center, check the web site, <http://mba.vanderbilt.edu/fmrc/>.

### PROGRAM

#### Thursday, April 17, 2008: Owen School Averbuch Auditorium (8:00 AM – 5:00 PM)

8:00 AM – 8:45 AM	Continental Breakfast
8:45 AM – 9:00 AM	Welcome <b>Hans Stoll</b> , Owen School <b>Jim Bradford</b> , Dean, Owen School
9:00 AM – 10:00 AM	Credit Crisis of 2007. Chair: <b>Neil Ramsey</b> , Ramsey Quantitative Systems, Inc. <b>Richard Lindsey</b> , President, Callcott Group LLC, Overview of the Credit Crisis of 2007. <b>Roy Henriksson</b> , Chief Investment Officer, Advanced Portfolio Management. The Liquidity Crunch of 2007: How Does it Compare with Past Crises?
10:00 AM – 10:30 AM	Break
10:30 AM – 12:00 PM	Asset Securitization. Chair: <b>Robert Davis</b> , Executive V.P., American Bankers Association <b>Adam Ashcraft</b> , Senior Economist, Federal Reserve Bank of NY. Understanding the Securitization of Subprime Mortgage Credit (with Til Schuermann). Comment: <b>Richard Herring</b> , Safra Professor of International Banking, The Wharton School. The Darker Side of Securitization. Comment: <b>Oliver Jakob</b> , Managing Director, Jeffries and Co., Risk Management: What Went Wrong?

12:00 PM – 1:00 PM Luncheon

1:00 PM – 1:45 PM **Paul Atkins**, Commissioner of the Securities and Exchange Commission. Improving Financial Markets.

1:45 PM – 3:15 PM Credit Risk Transfer and Assessment. Chair: **Rick Kilcollin**, Sanborn Kilcollin Partners

**Michael S. Gibson**, Deputy Assoc. Director, Division of Research and Statistics, Federal Reserve Board. Credit Risk Transfer.

**Tom Ho**, Thomas Ho and Co., Integrating the Assessment of Credit Risk and Market Risk.

Comment: **Mike Edleson**, Managing Director, Morgan Stanley. Risk Management at Investment Banks.

3:15 PM – 3:45 PM Break

3:45 PM – 5:00 PM Panel on the Dimensions of the Credit Crunch. Chair: **Scott Morris**, CEO, Boston Options Exchange.

**Andreas Preuss**, CEO, Eurex. The Impact of the Credit Crunch on Eurex Markets.

**Bjorn Flesaker**, Senior Quant, Bloomberg. The Economics of the Monoline Bond Insurance Business.

**Jim Overdahl**, Chief Economist of the SEC. SEC Regulation and the Credit Crisis.

**Thursday evening, April 17, 2008: Loews Vanderbilt Hotel**

6:00 PM Cocktails

7:15 PM Dinner

**Friday, April 18, 2008: Averbuch Auditorium, Owen School (8:00 AM – 1:00 PM)**

8:00 AM – 9:00 AM Continental Breakfast

9:00 AM – 10:30 AM Panel on Recent Developments in Financial Markets. Chair: **Jim Cochrane**, Senior V.P., NYSE, retired

**John Damgard**, President, Futures Industry Association. The View from Washington.

**John Labuszewski**, Managing Director, Chicago Mercantile Exchange. Futures Product Development: Portable Alpha and the Growth of Hedge Funds.

**Brian Reid**, Chief Economist, Investment Company Institute. The Credit Crunch and Investment Companies.

**Jeff Smith**, Director of Research, Nasdaq Stock Market. Recent Developments at Nasdaq.

10:30 AM – 11:00 AM

Break

11:00 AM – 11:45 AM

Hedge Funds. Chair: **Bob Whaley**, Owen School

**Nick Bollen**, Owen School. Do Hedge Fund Managers Misreport Returns? Evidence from the Pooled Distribution (with Veronika Krepely Pool).

Commentary: **Barry Schachter**, Director of Quantitative Resources, Moore Capital Mgt.

12:00 PM – 1:00 PM

Luncheon

**Friday, April 18, 2008: Post Conference Activities**

2:00 PM – 5:00 PM

Dewey Daane Invitational Tennis Tournament – Belle Meade Club

2:00 PM – 4:00 PM

Hike around Radnor Lake led by Ron Masulis

6:00 PM – 9:00 PM

Dinner at the Stolls' for participants and invited guests