HOW LONG IS THAT, REALLY? AND WHY 
is it on my mind as we pivot from our first 
Century into the future?

At the turn of the last century, UT student 
musicians unveiled “The Eyes of Texas” 
with its line “‘Til Gabriel blows his horn.” 
Historian Jim Nicar writes that “before the 
first verse was finished, the crowd was in an 
uproar. By the end of the song, the audience 
was pounding the floor and demanding so 
many encores that members of the quartet 
became hoarse… [A month later] Presi-
dent Prather made his farewell speech to 
the senior class, ‘And now, young ladies and 
gentlemen, in the words of your own poet, 
remember that the eyes of Texas are upon 
you.’ The seniors gave Prather a standing 
ovation, and The University of Texas had a 
song it could call its own.”

Our Centennial commemorative book, 
Journal Entries, honors our distinguished 
history from 1912-2012, and tells our story 
through remembrances of famous faculty 
members and success stories of our alumni. 
It is clear from your stories that you have 
felt the Eyes of Texas on you from your 
first steps into the business world to your 
successes as CEOs, CFOs, partners, global 
citizens and civic servants.

In the early decades of UT, the education 
was cheap, the state was rich, and the oil 
was flowing. Many of you were students 
during the decades when tuition, the state 
legislature and the Permian Basin oil money 
paid for all the essentials. We built this pro-
gram into the envy of our peers and your 
generosity was the icing on top. The Centen-
nial article in this issue includes letters from 
me and all the former department chairs 
expressing our gratitude for that generosity. 
I hope you will read them and hear our 
individual voices.

We are now facing forward into our next 
century. Your donations are no longer the 
icing – they are the very bread of life – we 
cannot build our dynamic future without 
your support, because the state only pro-
vides 13% of our funding, and the regents 
have frozen tuition.

The chart on the back page shows the shock-
ing statistics that only 6% of McCombs 
alumni (5.6% of accounting alumni) gave 
anything back to the college or department 
in 2011. Private schools like Dartmouth 
(67%) and Virginia (43%) have coached 
their students for generations to give back. 
But even Oklahoma (21%), and Texas A&M 
(13%) participate at double UT’s rate. These 
statistics are important – one of the hard 
numbers that goes into the Business Week 
rankings is the percent of alumni who give 
back to their academic units. I know that 
football tickets and parking are expensive, 
but your donations to TexasExes and Long-
horn Foundations and our athletics program 
do not count in the statistics that affect rank-
ings. I know we have enjoyed being #1 in 
accounting for a while now, but that is in 
spite of a visible signal from alumni that is 
inconsistent with that proud ranking.

Participating at any level on an annual basis 
is one easy, concrete way to announce your 
degree is valuable to all those whose eyes 
we want on Texas. This message is for all 
of you – the 6% who give so faithfully, and 
the 94% who have not yet done so. You 
6% please tell any alumnus you meet why 
you give back to the department. And you 
94% - please make this the year to invest in 
our reputation – now and always.

So … how can we think about ‘Til Gabriel 
Blows His Horn?’ If I can be so bold, please 
go to http://tinyurl.com/accounting-gift and 
commit to a sustaining gift of any amount 
that will recur monthly or annually ‘Til 
Gabriel Blows His Horn.’ This automati-
cally recurring gift would mean that we 
don’t have to expend energy asking for 
thoughtful renewals – and you will know 
you have taken care of doing your part in 
our annual participation statistics. Let’s aim 
high - can UT’s accounting graduates reach 
toward 100% during our Centennial year? 
If every one of our 20,000 alums signed up 
right now for $100 per year, we would raise 
$2,000,000 per year, and $200,000,000 over 
our next century for scholarships, research, 
and programs, and have bragging rights on 
100% alumni participation rates. Beat OU, 
beat A&M, and … beat Dartmouth!

I am so proud to be part of the Longhorn 
family – and I know the Eyes of Texas are 
upon you and me, both! ♦
JIM DEITRICK Honored with the Texas Society of CPAs Outstanding Accounting Award

This year, the Texas Society of CPAs (TSCPA) selected Jim Deitrick to receive the Outstanding Accounting Educator Award. Jim has committed over three decades to accounting education and excellence for the state of Texas, and this award marks his 20th teaching award. His exemplary contributions to the accounting profession shine through his teaching, administration, leadership, research, service, and sincere dedication to students.

MICHAEL CLEMENT Receives Honored Guest Award from the ADSA

Congratulations Professor Clement on receiving the Honored Guest Award from the ADSA (PhD Project’s Accounting Doctoral Students Association). The award is given to those who have gone above and beyond in their commitment and involvement to the ADSA and its members. The award is voted on by the ADSA, and is coordinated by the planning committee.

BRIAN WHITE Wins Outstanding Manuscript Award for the Accounting, Behavior and Organizations section of the AAA

Assistant Professor Brian White was awarded with the Outstanding Manuscript Award at the Accounting Behavior and Organizations (ABO) conference for his paper titled, “Do Performance-Based Incentives Induce System 2 Processing in Affective Decision-Making Contexts? MRI and Behavioral Evidence.” The paper was coauthored with Anne M. Farrell (Miami University) and Joshua O. Goh (National Taiwan University).

JOHN ROBINSON Receives the American Taxation Association’s Outstanding Service Award

In recognition of his years of distinguished service and dedication to the research community, Professor Robinson was awarded the American Tax Association’s (ATA) Outstanding Service Award.

DEPARTMENT CHANGES

We are extremely pleased to welcome seasoned Assistant Professor Dain Donelson to the department. Dorothy Brady, our Communications and Marketing Manager, has retired after 29 years of service at the University of Texas.

For more detailed information and up-to-date news about our current published works, please see our web page: http://www.mccombs.utexas.edu/Departments/Accounting/Research/Published-Works.asp
RESEARCH AT McCOMBS

How Do Standards Affect Litigation Risk?  
By John McInnis

MY RESEARCH EXAMINES how investors and creditors use financial reporting information, and how it affects managers’ reporting incentives. I’m constantly fascinated by standard setting policy debate, and I really wanted to dive deep into the topic. I also teach financial accounting, so any research into standards helps me be a better instructor.

One of my studies focuses on how accounting standards affect securities litigation. Specifically, we examined whether “rules-based” accounting standards increase or decrease litigation risk. Some argue clear guidance shields firms from litigation risk, while others argue that detailed prescriptions make it easier for plaintiffs to point to mistakes and allege fraud. So we decided to see who made the better case. For every standard in U.S. GAAP, we determined the extent to which it contained “rules-based” characteristics. These are things like bright-line thresholds, exceptions, or comparatively high detail and implementation guidance. Then we took a look at a sample of accounting lawsuits (and potential accounting lawsuits) to see which areas of GAAP are more likely to trigger litigation. We’ve found that in federal securities class actions alleging GAAP violations, plaintiffs tend to target principles-based, or less rules-based, areas of GAAP. Rules-based standards appear to decrease, not increase, litigation risk.

Also relating to financial reporting is the banking industry’s fair value debate. I have a study that examines whether or not measuring loans at fair value, rather than historical cost with a loan loss reserve, results in better predictions of future credit losses and bank failure. Supporters argue that loan fair values give users better information about the credit risk of a bank’s loan portfolio, and can provide an early warning of impending credit losses. Their opponents contend that loan fair values are neither reliable nor relevant because many loans are never sold. The FASB recently waded into the debate, and proposed recognizing bank loans (which account for 70 to 80 percent of assets in the banking industry) on the balance sheet at fair value. Fierce opposition forced the FASB to back away from the proposal, at least for now.

The study we conducted indicates that loan fair values, as currently disclosed in the financials, do not provide better information about credit risk than net historical costs (i.e., net of loan loss reserves). One explanation may be that banks are putting less effort into their disclosed loan fair values than recognized net historical costs.◆

Steven Kachelmeier Wins Regents’ Outstanding Teaching Award

Professor Steven Kachelmeier has been honored as one of the recipients of the 2012 Regents’ Outstanding Teaching Award, awarded by the University of Texas Systems’ Board of Regents. This award is given in recognition of those who serve The University of Texas Systems’ undergraduate students in an exemplary manner. Prof. Kachelmeier is one of 32 tenured faculty in The University of Texas System to win this award.

Awarded annually to faculty members at the nine University of Texas System academic institutions, the Regents’ Outstanding Teaching Awards are the Board of Regents’ highest honor. The awards recognize faculty members at UT System institutions who have demonstrated extraordinary performance and innovation in the classroom and laboratory. With a monetary award of $25,000, they are among the largest in the nation, and given the depth and breadth of talent across the UT System, this awards program is also one of the nation’s most competitive.

Faculty members undergo a series of rigorous evaluations by students, peer faculty and external reviewers. The review panels consider a range of activities and criteria in their evaluations of a candidate’s teaching performance, including classroom expertise, curricula quality, innovative course development and student learning outcomes.

Kachelmeier joins Accounting Professors Lisa Koonce and Michael Williamson who won the award in 2009 and 2010, respectively.
Alumni News

KATHLEEN FARLOW (MPA 1983)
Advisory Council member Kathleen Farlow has moved to Austin from Houston to be the Central Texas Managing Partner for Deloitte. Kathleen is our lead relationship partner with Deloitte.

ERIC HORNSTEN (MPA 1993)
New Advisory Council member Eric Hornsten has moved from San Jose to be the Austin Managing Partner for PWC. Eric is a technology assurance leader, having worked since graduation in San Diego and San Jose. PWC audits Dell and several other tech companies in the Austin area.

CRAIG WOLCOTT (BBA 1976)
After 30 rewarding years with Hays McConn in Houston, Craig Wolcott, BBA, has relocated to Rocksprings, and opened law offices in Kerrville and Rocksprings, as Craig Wolcott, PLLC Attorney at Law. He continues to practice law state-wide, handling complex business and commercial litigation, wrongful death and personal injury suits, and employment discrimination cases. Craig and his wife, Debra, also own and operate the Historic Rocksprings Hotel.

STEVEN STERIN (BBA 1995, MPA 1995)
Steven M. Sterin, chief financial officer of Celanese Corporation and president of the company’s Advanced Fuel Technologies business, has accepted an invitation to join the McCombs School of Business Advisory Council at The University of Texas at Austin.

RAJUL KADAKIA (BBA 1996)
PixyKids, co-founded by Rajul Kadakia, announced that it has secured financing of $3 million, including a $2 million investment by ATA Ventures and $1 million from other angel investors. PixyKids is an interactive social media platform where kids ages 6-12 can create, share, learn, and have fun through their personalized digital space.

AARON SUSMAN (BBA 2005, MPA 2006)
Aaron Susman launched his startup, TheSquareFoot, a fully web-based one-stop marketplace for commercial real estate leasing that connects prospective tenants with the full complement of providers they need for finding and setting up an office. The company is based in Houston, Texas and has just applied to the Texas Venture Labs program.

New job? New family member?
With each issue of The Accounting Times we ask to hear your stories so that we, fellow alumni and friends of the Department of Accounting, can share in your accomplishments. Email your news and high-resolution photos (photos should be an attachment) to accounting.times@mccombs.utexas.edu to give us an update. Also, take a minute to share your news online on the McCombs Alumni Class Notes page: http://blogs.mccombs.utexas.edu/mccombs-today/classnotes

Kathleen Farlow Named Department’s 2012 Texas Star

At this year’s commencement ceremony, the Department of Accounting recognized Kathleen Farlow, UT Accounting alum and a Partner with Deloitte, as its 2012 Texas Star. The McCombs Accounting Program Texas Star Award each year honors a friend of the department and its programs for his or her continuing support over a period of years.

Kathleen has consistently demonstrated a high level of dedication to both the accounting department and its students. Through personal giving, hosting alumni visits, recruiting students, securing grants, and serving the department as an Advisory Council member, Kathleen has made it clear she is a true friend to the department.

It is with pride and honor that we congratulate Kathleen Farlow on being the 2012 UT Accounting Texas Star.
IN SEPTEMBER, WE CELEBRATED A CENTURY OF ACCOUNTING excellence at The University of Texas at Austin. Generations of accounting alumni, faculty, business leaders, and supporters honored the Department of Accounting’s achievements on campus and throughout the world in a series of festivities that culminated in a Centennial Gala Celebration. The Tower was lit up with ‘100’ in commemoration, and Bevo even made an appearance at the MPA Council’s Centennial Carnival.

We have come a long way since 1912, when Professor Spurgeon Bell first stood before twenty students in the first accounting class. Today, our programs are world renown, with a solid record of securing the No. 1 spot on the U.S. News and World Report and Public Accounting Report rankings.

If you missed any of the events, be sure to visit our Centennial Gallery (http://www.tinyurl.com/centennial-gallery) where we’ve got more photos from all the celebrations.
Professor Lisa Koonce was one of the 4 presenters for the Centennial CPE Sessions.

President Powers gave a rousing speech during the cocktail reception.

Frank Maresh was honored with a scholarship named after him for being the oldest alumnus present at the Gala.

Everyone danced the night away at the Centennial Gala, even Department Chair Lillian Mills!

The department surprised Will and Beverly O’Hara with a cake in honor of their 45th anniversary.

CLOCKWISE:
The Bob Appell Band set a perfect tone for the tailgate, playing plenty of country favorites.


We were excited to share our Centennial Check Presentation with the entire crowd at Longhorn Stadium. We raised $225,000 for student scholarships!

Norman Luke, Greg Alexander, Ann Wysong, Catherine Vuyosevich, and John Vuyosevich had a great time tailgating before the game.

It’s not too late to give to the Endowed Accounting Centennial Scholarship Fund! Visit http://tinyurl.com/centennialscholarship to help ensure our ability to attract the most talented students to the Texas Master in Professional Accounting program!
Thank you for joining us as we celebrate 100 years of accounting excellence at The University of Texas. The generous support of our alumni and friends initially allowed the department to achieve excellence and has helped us to maintain that tradition during the past century. We begin our second century during a tumultuous time for both higher education and the accounting profession. It will be a significant challenge for our faculty and staff to creatively adapt to this environment and to develop the innovative programs and curricula, the new delivery mechanisms, and the ground-breaking research to maintain our leadership position in accounting education and research. Because of your support, I think we are well positioned to meet these challenges. I look forward to the next 100 years of accounting excellence!

Utton Anderson
Clark W. Thompson, Jr. Professor of Accounting Education
Department Chair, 2007-2011

Throughout my four years as Department Chair, I was impressed and humbled each time I found a stack of donor thank-you letters waiting for my signature. I was impressed by the generosity of our alumni who, largely unprompted and for the most part not recognized publicly, continued year after year to give back to our programs. And I was humbled by my small role in a long history of excellence in accounting education at The University of Texas at Austin.

Now we come to a remarkable milestone, one hundred years of accounting education at UT, and I am once again impressed by your generosity and humbled by my connection to this great department. On behalf of the future generations of students and faculty who will benefit from your generous participations this evening, I say thank you from the bottom of my heart.

Ross Jennings
Deloitte & Touche Professor of Accounting
Department Chair, 2003-2007

As a youthful assistant professor, I sought the assistance of several alumni in sponsoring a conference on government accounting. They not only provided funding, but more importantly identified key speakers and other participants. Whatever success I have enjoyed in my career can be traced to the contacts I made at that conference. Our students also benefited from my resultant involvement in the government accounting community. Others have benefited in similar ways—as when alumni supported faculty access to research data to which they would have otherwise been denied.

Our alumni and friends have been extraordinarily generous with financial support—but they have given so much more. Throughout my 40 years with the Department, this support has continued unabated, and remains one of our greatest strengths. You have played a key role in our first successful century of accounting education at Texas, and for that we are all exceedingly grateful.

Michael Granof
Ernst & Young Distinguished Centennial Professor in Accounting
Department Chair, 1984-1988

Over the years, I have had the great privilege to be affiliated with the distinguished accounting programs at UT in a variety of roles—first as a PhD student, then as a faculty member and administrator. Of course, our programs became outstanding not only through generations of excellent students and dedicated faculty, but also because of the crucial help given by our many alumni and friends. Your remarkable support, sustained over many decades, has made a huge difference in our ability to keep the quality of our programs uniformly high.

We hope you are as proud as we are to be associated with accounting education at The University of Texas. You deserve to be proud because you have been so instrumental in what we do. Let’s keep this extraordinary success going for (at least) another century. And thank you for your many contributions.

Paul Newman, Ph.D. ’77
Clark W. Thompson, Jr., Chair of Accounting Education
Department Chair, 1992-1996

How has Texas accounting retained its excellence for a century? Your collective support...support for our students while at UT and in careers beyond. Support for faculty development and the projects they undertake. Support in and out of the classroom, and in curriculum innovation.

Your enthusiastic support of our 100th anniversary is just another example on a list too long to enumerate. Yes, it’s our 100th because it’s our common endeavor. You’re central to making UT accounting excellent and, as the saying goes, “it ain’t braggin’ if it’s true.”

During my 30 years at UT, I’ve experienced no greater privilege than your friendship and unwavering commitment in the face of economic booms and busts, life transitions, and oh yes, football ups and downs. Without you, this wouldn’t be a celebration. With you, our prospects for the next 100 years shine equally bright.

Steve Limberg
PricewaterhouseCoopers Centennial Professor in Accounting
Department Chair, 1997-2003

Here at Texas, we stay until the end. We sing “The Eyes of Texas,” win or lose. Our century of accounting education excellence arises in part because we stay committed “’til Gabriel blows his horn”—committed to our students, to the university, to the profession. Your support fuels this commitment and has resulted in a remarkable collaboration that allows us to maintain the high standards that have been built over the last century while gaining momentum towards a dynamic future.

Thank you for joining us as we celebrate a century of excellence at Texas. We look forward to a second century at the forefront of accounting knowledge!

Lillian Mills
Wilton E. and Catherine A. Thomas Professor of Accounting
Current Department Chair
Mariya Cheklina embodies the typical MPA student: Fulbright Scholar, accepted in National Society of Collegiate Scholars for outstanding academic performance, Psi Beta Honor Society member, and the past winner of several scholarships. But beyond the grades and honors, Mariya demonstrates something else that is common with students in the MPA program: determination.

Doctors about her father’s condition. During her two years in Germany, she learned to speak German, English, and Spanish fluently.

Right after graduation from grammar school, she was one of fifteen students chosen nationwide to receive the Fulbright Diversity Scholarship to represent Germany at California State University. She then moved to America to be closer to the father of her son and attended classes at Central Texas College, earning an overall GPA of 3.94. Bigger dreams and strong ambition led her to the MPA Program at UT.

“I was terrified of accounting at first because I thought it was so complicated and just a different language. But I was interested because I love languages so I wanted to learn this language.”

Mariya’s father was diagnosed with leukemia when she was five and her family moved from Russia to Germany when she was fifteen in order for him to receive better medical treatment. In six short months, she had to immerse herself in the German language not only for school, but to communicate with doctors about her father’s condition. During her two years in Germany, she learned to speak German, English, and Spanish fluently.

“When life things happen that can stop you or make the process longer... I am doing [this] for myself because I don’t think you can do something for other people and impress them. I think you should do what you think is good and that is going to impress other people.”

When people ask what makes MPA students so special, it is easy to mention GPA, internships, and being involved on campus. However, Mariya exemplifies another side of MPA students: dedication to reaching a goal, determination to succeed, and the focus to make it all work.

In life things happen that can stop you or make the process longer... I am doing [this] for myself because I don’t think you can do something for other people and impress them. I think you should do what you think is good and that is going to impress other people.”

Jesse is currently an Associate Consultant with Bain & Company, working out of their Dallas office. Originally earning his undergrad at USC in Neuroscience, he came to Texas to get a better foundation of business education. “The contrast between my experience with USC and UT career services was night-and-day; as such, I’m a big proponent of the recruiting opportunities available to MPA students and a strong advocate that MPAs should leverage those resources early and wholeheartedly in order to realize their own professional aspirations.”

His experience led him to reach out to the MPA program and set up workshops that help shed light on the topic of consulting recruiting. The main goals of the workshops are to educate MPAs on what consulting is and how consulting recruiting works, to provide guidance on what’s important for students to do when trying to land a job in consulting, and to introduce students to the case interview format and set them up with a network to practice on their own. These Saturday workshops were his way of giving back to a program that in his words “was the best one-year investment I could have made as a non-business undergrad hoping to make my way into the business world.”
I showed up in Austin in January 1982 with $2,000 cash in my pocket from a student loan. I thought it would last me through the first semester and I would worry about the rest at a later time. I was meeting with Don Persons on my first day in Austin. He told me they were short of teaching assistants and since I had experience as a TA when I was an undergrad at Michigan State, they had a position for me in managerial accounting. I politely said thanks, but no thanks. Being a TA was a lot of work and I was going to see if I could manage without that extra load. Then Don proceeded to tell me the pay was $400 a month. (I made $33 a week at MSU.) I may be dumb, but I’m not stupid. I politely said thanks, but no thanks. After that story for 30 years. I have always found a way financially to make it.

Then Don said “But wait – There’s more.” I remember thinking that is nice, but no big deal. (I had no idea what that meant.)

Then I signed up for classes and got my first bill that meant.)

I have told that story for 30 years. I have always summed up UT Austin in one word. Opportunity. ♦
**Student News**

**KPMG/ALPFA Case Competition Team Reaches the Finals**
We are so proud of our KPMG/ALPFA Case Competition team! Oscar Barbosa, Nakita Hariri, Edgar Ruiz, and Jessenia Sosa blew away the first round of competition at the ALPFA (Association of Latino Professional in Finance and Accounting) national convention in Las Vegas, Nevada. Out of 22 schools competing to advance, six were selected to participate in the finals including Team Texas! This is an extremely competitive national event requiring months of hard work and preparation.

**University of Texas at Austin ALPFA Chapter Wins Student Chapter of the Year Award**
At the ALPFA Annual Convention 2012, the University of Texas at Austin chapter was selected as the Student Chapter of the Year for the Central Region. ALPFA is the largest Latino association for business professionals and students with chapters nationwide. Every year they choose a student chapter from each region that has dedicated their time and efforts to support ALPFA's mission and guiding principles.

**Eight MPA Students Receive Prestigious UT Scholarship**
Third-year MPA students Holle Anderson, Mollie Dye, Carolyn Mao, Lily Nguyen, Lindsay Pecto, Victoria Ploszaj, Odha Sudihardjo, and Ryan Yip each received an Unrestricted Endowed Presidential Scholarship (UEPS) for the 2012-2013 academic year. The UEPS program was created in 1973 to make substantial scholarships available to outstanding UT students. Departmental nominations go to a president-appointed scholarship committee that selects recipients from across campus.

**Alumnus Wins 2011 Elijah Watt Sells Award**
MPA graduate and current employee of Deloitte in Dallas, Richard L. Sohns Jr. was honored with the 2011 Elijah Watt Sells award for his scores on the Uniform CPA Examination. Out of over 90,000 candidates who sat for the exam in 2011, only 37 met the criteria for the award.

**2012 William Ihlanfeldt Scholar Award**
Ashton Cherbonnier is the winner of our most recent scholarship created in honor of Mr. William Ihlanfeldt. As an Ihlanfeldt Scholar, Ms. Cherbonnier enjoyed the opportunity to interview this distinguished professional and accompany him to the spring 2012 Accounting Advisory Council meeting. It was a unique opportunity to connect with a senior mentor and other leaders in our accounting community.

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For more student news: blogs.mccombs.utexas.edu/mpa-students
Your gift to the Accounting Centennial Excellence Fund today is needed to show the world we won’t be dead last in anything!

Make your gift today!

http://tinyurl.com/accounting-gift

McCombs Accounting — ranked #1 everywhere but here