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SY SYMS SCHOOL OF BUSINESS

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Sy Syms and the "Big Four" – Or Are We Down to Three?

Anosh Zaghi

I would like to commence with a disclaimer. Our original intent in researching—and ultimately publishing—this story was to provide our readers with a conclusive depiction of Sy Syms School of Business's standing with the "Big Four" accounting firms, in light of recent rumors. In accordance with our commitment to objectivity and intellectual honesty, we did not predetermine whether or not this story would take on more of a "myth-busting" nature, or serve to verify, once and for all, what has been up until this point chiefly manifest in mere gossip. We resolved to let our research make such a determination and simply reflect the facts, hoping that those facts would render a final verdict on the subject matter. Unfortunately, the more we researched the bleaker our hopes became. Not only were we unsuccessful in either abrogating or corroborating the rumors, we ended up complicating them. To make matters worse, nearly everyone we solicited quotes from vigorously insisted on remaining anonymous. Interesting. But wait a second—I am getting ahead of myself.

It all began the way most YU events begin: with a "ystud," or—more accurately—an "sssbstud." You may recall seeing, "TODAY - IMPORTANT Meeting for Accounting Majors about 150 credits," popup on your BlackBerry device or computer email server on Thursday, May 6th at around 9:48am. If you are not an accounting major, you probably deleted it within a few seconds. If you are an accounting major you probably scanned it, noticed a few key phrases like "meeting... regarding the new CPA requirements," "Masters of Accounting programs" and "150 credit CPA issues," and then, well, proceeded to do the exact same thing. To say, "Well that was your first mistake," would rightfully be deemed an overzealous attempt at hyping up our humdrum little narrative (after all, no matter how controversial the events, this is still a story about accounting). Instead, I'll say this: in retrospect, it would not have been a complete waste of time to have read the email and attended the event.

Photo Credit: Jekert Gwapo

Dean Lowengrub kicked off the session by detailing the nature of the new, state-instituted, 150-credit CPA requirement. He proceeded to ensure the students in attendance that the recent installment of Sy Syms's Masters in Accounting Program was not an attempt to raise funds; he welcomed students to apply to more affordable ing. Subsequently—and this is important—he warned that if firms begin viewing Sy Syms as primarily a "3-year-program," where most business schools are shifting towards the

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Israeli Entrepreneurs Living the American Dream

Anosh Zaghi

Some of the quotes cited herein are from an interview conducted by Greg Dutter in an article entitled "American Dreamers" appearing in the June 2009 issue of Footwear Plus Magazine

David and Avi Ben-Zikry's story is of the sort that prompts you to reconsider the value of a business degree—or formal education in general for that matter. "It's a good insurance policy," remarked David in response to my informing him that I planned to pursue a Sy Syms degree in accounting. An insurance policy that identical twins David and Avi, whose successful shoe company boasts over a million sales yearly, don't regret passing up on.

Though the Israeli-born Ben-Zikry twins cannot claim to have acquired a formal business education, their experiential education was likely more beneficial—and certainly more grueling—than even Wharton's most rigorous MBA program. David and Avi began their footwear career at the age of six. The two, along with seven other siblings,

The family made roughly 120 pairs a day, selling to local customers as well as retailers in the area.

would work long hours after school in their father's shoe factory. "Before immigrating to Israel, their father had been a second-generation cobbler working for Bata Shoe in Casablanca, Morocco," records Greg Dutter of Footwear Plus magazine. When he moved to Israel he decided to use his experience to support his family. He launched the family shoe business and based operations out of the basement of their Rishon-Lezion home to conserve money. The family made roughly 120 pairs a day, selling to local customers as well as retailers in the area.

Instead of playing pick-up soccer with their school friends, the Ben-Zikry twins were hard at work helping the family business generate enough capital to pay the bills. Soon enough, the two became proficient in every aspect of the industry. "This was the best school for the shoe business and we mastered the basics," recalls David. The twins were involved in every step of the manufacturing process. "Both were able to perform almost every function," notes Dutter, "including select-

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How the Mighty Can Fall

Well-known brands such as Toyota and Tiger Woods are not always assets in a crisis

Dr. Tamar Avnet and Dr. Daniel Laufer

Recently, two well known and respected brands, Toyota, the car manufacturer, and Tiger Woods, the professional golfer, seem to have fallen short of the public's expectations, especially consumers and fans. Toyota recently had to recall many of its most popular models due to a gas pedal problem, and Tiger Woods admitted infidelity in his marriage, which he described as a 'one-time thing' that developed from a mishap to a behavioral pattern.

Both of these events show brands in crisis. A brand or a company is considered to be in a crisis situation when a major unpredictable event threatens to harm the organization, its stakeholders, or the general public. Three elements are common to most definitions of crisis: (a) a threat to the organization; (b) the element of surprise; and (c) a short decision time. Once this unpredictable event occurs, the key question company executives must now struggle to answer is whether the problem will be fixed in time to stem - and, in fact, repair - the tremendous damage afflicted upon its once sterling reputation. Well, these executives are not alone. Many researchers have struggled with this same question themselves.

Daniel Laufer, an expert on the public's reactions to crises and an Associate Professor of Marketing at Sy Syms School of Business, has been examining issues relating to crisis management for years, and has published a number of articles in the area. He suggests that the reason why Toyota is now being subjected to such heightened criticism has to do with Toyota's reputation as a reliable and high quality brand. Consumers question how this crisis could have happened to such a company. Consequently, this generates even more damage - the higher the expectations, the farther to fall. Previous research has found that this adverse effect occurs to other companies with strong reputations as well, and this phenomenon is called a "contrast effect". Many people believe a strong reputation helps during a crisis, however, this occurs primarily in ambiguous situations where it is unclear who is to blame (is it the driver, the road conditions, the automaker?). In the case of Toyota, the problem was clearly related to the car, so Toyota did not get the benefit of the doubt, something that a company typically receives if it has a strong reputation when dealing with ambiguous crises.

Photo Credit: Keith Allison

The Tiger Woods crisis follows a similar pattern. Before the crisis occurred, Tiger Woods had a stellar reputation; a family man with strong moral values. He was also viewed as a great example of the American dream, demonstrating that if you work hard, you can be successful, regardless of your background. After the allegations of infidelity surfaced, this perfect image of Tiger Woods was shattered for many American fans who realized that much of what they thought was incorrect. This generated a backlash effect, similar to the Toyota situation.

Professor Laufer also suggests that another mistake companies make during a crisis is to scapegoat others. For example, Toyota immediately deflected the blame, suggesting that the supplier, CTS, was the sole source of the problem. Toyota may have thought that they could gain the upper hand in the crisis, similar to Ford in their battle with Firestone Tires over the problems associated with the Ford Explorers in the 1990's. However, unlike Firestone, the little-known CTS responded quickly, claiming that the parts were made based on specifications requested by Toyota, and

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Courture for a Cause: Hit or Miss?

Aimee Rubensteen

The Fashion Marketing Club decided there was no better way to melt the chills of midterm week than with a fashion show to promote a meaningful charity. Or so they might have thought. Although the show was a success, it was not a hit. Only about 50 students attended the fashion show to raise money for Sharsheret, a non-profit organization of cancer survivors dedicated to addressing the unique challenges of Jewish women living with breast cancer. The fifty students that did show up were as excited as they would have been had they been sitting in the big white tents of New York's Fashion Week, and with good reason.

On March 1st, Sy Syms School of Business celebrated its Annual Fashion Show "Couture for a Cause". Tickets were sold to students for $10 in advance and $15 at the door. The runway, the models and the fashion were the climax of a week full of events. Fashion Week featured speakers like ethnic hair care creator, Dr. Miracle, a Fashion Gallery in Lexington lobby, and an official undergraduate fashion magazine named "Scoop" in order to hype up the students for the big event.

Raquel Sotto, Shira Lichtman, and Sultana Shoshani had been working on this event since last year, and were quite excited for it. This year they tried to make a splash by implementing the ability for plus-size students to model for the event. "In the past years all we had access to were the samples from the designers and we were restricted to having models sizes 2 and 4," explains Lichtman. Therefore, this year accessories were also modeled to give girls who want to model but who aren't those sizes or don't want to wear the sample clothes (because of tznius reasons, for example) can model the accessories instead. The designers were generous in participating in the fashion show as well. "We got Teri Jon and Moschino to donate by asking girls from SSSB that were interning there this semester to ask their superiors," says Raquel Sotto. Sotto, director of the fashion show continues, "luckily, they said yes!" Chippelane, on the other hand, was rather simple since Atara Jacobs - the creator - is friends with many of the students working with Stern in the past.

The students not only organized this fashion show, but they also strutted down the runway themselves. Students sported the accessories and clothing given by the designers. Although shorts and sleeveless gowns were showcased, tzniut clothing was worn, too. At an all-girls events, modest clothing was not necessary, but at Stern it would only be appropriate. Sotto restates, "We didn't have to use 'frum' clothes because there were only girls, but obviously we didn't choose really immodest clothing."

When the lights were dimmed and the models went back to their dorms, the students left with a little flair of inspiration. "I think it was a success, however I think more people could have come that were either misinformed or just were too stressed with midterms to take an hour out of their time," says Sotto. Similarly, "I just wish that more students show up in the future years. It isn't a lot of time to give and all you have to do is sit there eat free food, look at great clothes and take away free stuff!" agrees Shira Lichtman. You might think Stern would be the ideal location for a fashion show benefiting charity, but maybe the dual curriculum is taking a fall in spring's new looks.

Credit Default Swaps

The Rancorous Relationship between AIG and Goldman Sachs

Ben Silver

Billions of dollars were at stake when twenty-one executives of Goldman Sachs and the American International Group convened a conference call on Jan. 28, 2008 to try to resolve a bitter dispute that had been escalating for months. This event had far greater implications than these people knew.

Goldman Sachs had many investments in mortgage-backed securities and other types of debt instruments that were in danger of defaulting. In order to protect against losses, Sachs, like many others, purchased a product called a credit default swap (CDS) from the venerable century-old Insurer, AIG. CDS act as insurance policies on debt obligations. If the individuals that owed money to Goldman Sachs defaulted and did not pay, Goldman Sachs could call in their insurance policy with AIG who would foot the bill.

For decades, AIG had created simple insurance products such as life and health insurance. However, they ventured into murkier water during the recent credit boom to insure debt obligations via credit default swaps. The business was seen as highly profitable as defaults on debt were low and insurance premiums paid by investors were high. However, this quickly changed in 2007 when defaults started to rise.

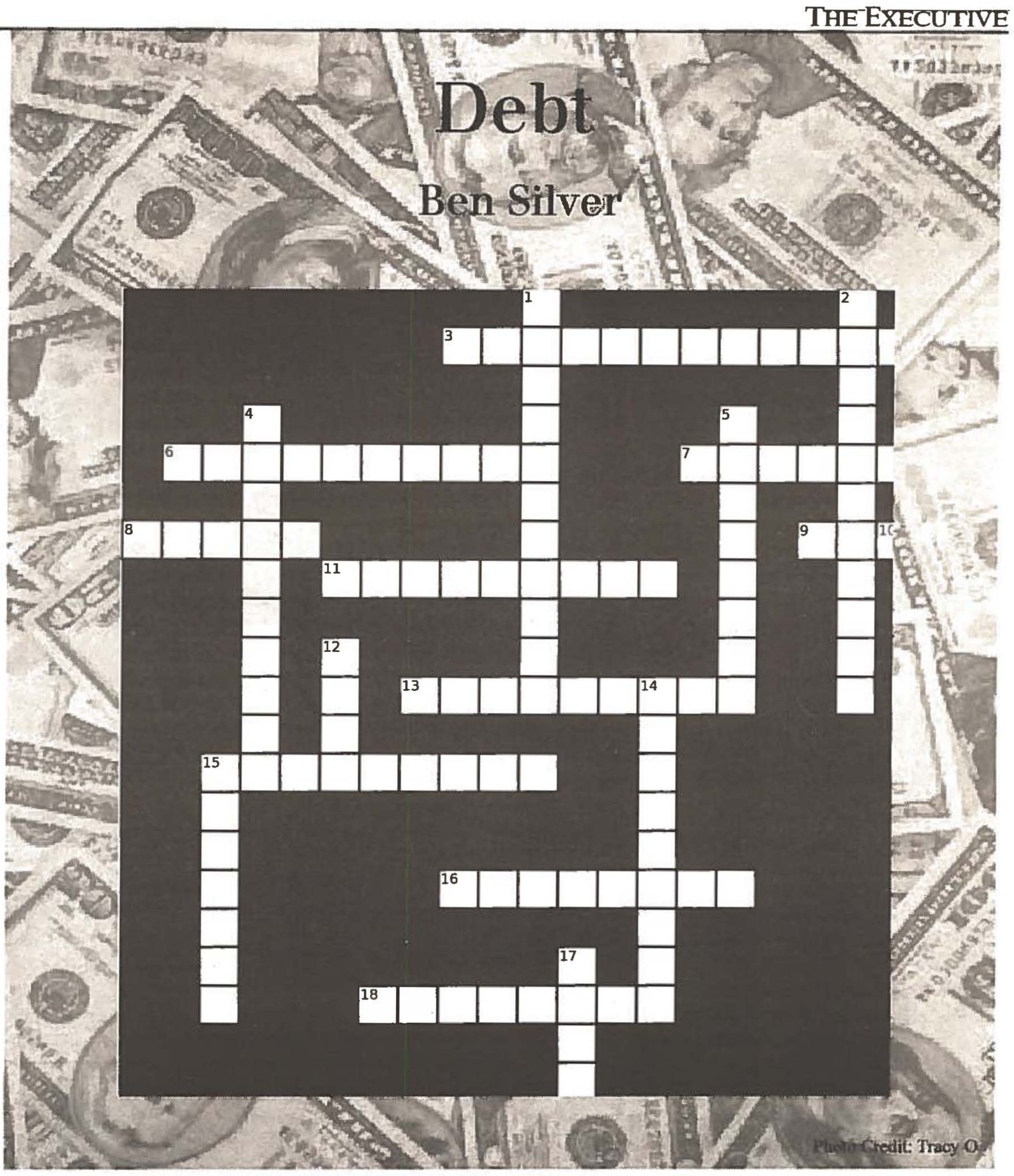
By Jan. 28 Goldman Sachs had already received $3 billion in payments for their CDS from AIG. AIG argued that they had overpaid Goldman Sachs and that they were due back some of the money; however, Goldman Sachs claimed that even more money was due to Goldman Sachs, as losses on their debt holdings were increasing. Common practice in the financial community was to call in a third party to give a neutral estimation of losses and valuation. However, The New York Times claims that "Goldman Sachs...resist[ed] consulting with third parties to help estimate a value for the securities." Goldman Sachs, however, claimed on their web site that they "would have been happy to consult with third parties. In fact, on numerous occasions we attempted - unsuccessfully - to agree on a process with AIG to obtain third-party values." The conference call ended hours later with no solutions to the quandary that the two institutions faced according to internal AIG documents. All the while, AIG was bleeding cash to its trading partners and was seeing mounting loses to its assets on its balance sheet. In late 2008, AIG had exposure to losses of over $100 billion through their credit default positions. The firm faced bankruptcy if these losses materialized.

On September 16, 2008, AIG suffered a liquidity crisis following the downgrade of its credit rating to "AA" levels in September 2008. The downgrade forced AIG to post additional collateral with its trading counter-parties such as Goldman Sachs. If AIG was not able to meet its obligations they would have to file for bankruptcy and wreak havoc on the financial markets. On September 16, 2008, the United States Federal Reserve Bank created an $85 billion credit facility to enable the company to meet increased collateral obligations consequent to the credit rating downgrade in exchange for stock warrant on 79.9% of AIG's equity. The following day, the Dow Jones Industrial Average slid 449.36 points to 10609.66. In order to protect AIG from having to owe Goldman Sachs even more money, the Federal Reserve purchased the CDS from Goldman Sachs and tore up the contract, effectively ending AIG's requirement to pay. The controversy surrounding the second bailout is that the Fed purchased these securities at full value (100 cents on the dollar). Typically in such a scenario, partial value should have been paid. Tim Geithner, the Chairman of the Fed at that time, argued that full value payment was necessary or else AIG's credit would have been downgraded further by rating firms and it would have gone into bankruptcy, unleashing mayhem on Wall Street and Main Street.

Ultimately, Goldman Sachs was entitled to the monies it received. However, was it ethical, considering the funds were coming from American taxpayers? In the year before the AIG bailout, Goldman Sachs collected more than $7 billion from AIG, and Goldman Sachs received billions more after the rescue. Though other banks also benefited, Goldman Sachs received more taxpayer money ($12.9 billion) than any other firm.

Regulatory and congressional review boards are currently scrutinizing Goldman Sachs' role in the insurer's downfall. The Securities and Exchange Commission is also examining the payment demands that a number of firms, most prominently Goldman Sachs, made during 2007 and 2008 as the mortgage market imploded.

AIG, regulators, and politicians all have their claims. However, Goldman Sachs still stands its ground. Lucas van Praag, a Goldman Sachs spokesman, stated, "We requested the collateral we were entitled to under the terms of our agreements, and the idea that AIG collapsed because of our marks is ridiculous."



Across

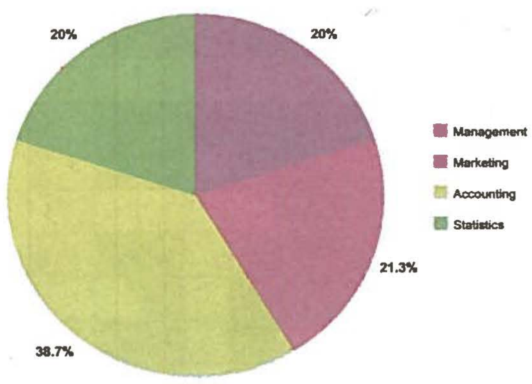
3. Paying off the principal of a loan id known as ____ of the loan – Amortization
6. Graph in which a certain interest rate is plotted against time- Yield Curve
7. Rating Company- Moody's
8. British bank to bank interest rate – Libor
9. First level of non-investment grade according to answer to num #3- Ba1
11. Debt issued by a government or its agencies- Municipal
13. Amount paid at maturity of bond- Face Value
15. TIPS are used to hedge against? Inflation
16. Agreement in which rights of lender and obligations of borrower are set-Covenant
18. Interest computation method in which interest is paid on previously accrued interest- Compound

Down

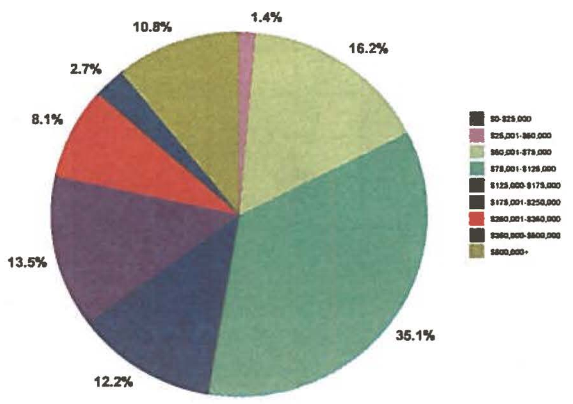
1. Bonds which can be changed for different securities- Convertible
2. Commercial paper, CD's , Treasury Bills – Money Market
3. Bond which has no periodic payment- Zero Coupon
5 Type of loan used to purchase a home- Mortgage
10. 100 basis points equal how many percentage points
12. _____ is to short term as note is to long term –Bill
14. A firm which has a high debt to equity ratio is called: highly ____ leveraged
15. The price of a bond and its interest rate move in an ______ direction- Inverse
17. Jargon for below investment grade- Junk

The Executive Asked...

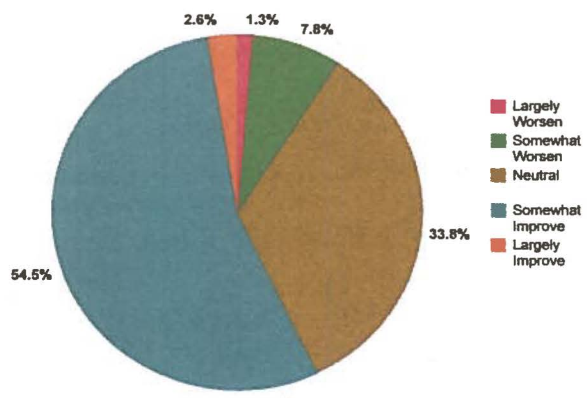
Of the following four classes/fields of study, which do you see having the most practical, helpful link to your life?



In twenty (20) years from now, what do you expect to be your annual income from all sources?



From large financial companies to your local neighborhood store, how do you think the general economy will fare over the next 6 months?



Results of all polls are based on responses from:

Males	59.2%
Females	40.8%
YC	38.4%
SCW	36.4%
SSSB	25.3%
Freshman	5%
Sophomore	26%
Junior	38%
Senior	31%

Sy Syms School of Business Student Profiles

Omer Haim

Likes: Happy people.
Dislikes: Cocky people and liars.
Favorite Moment at YU: Every day is a great day, but favorite moment? When we made the playoffs, when Martin won player of the week twice, whenmartinmadetheall-conferencefirstteam,andwhencoachwasnamed coach of the year. Also, every game when I heard the Israeli anthem before the game and saw our fans cheering us on, and feeling the support from the guys on campus.
Favorite Moment of the Basketball Season: All of the above.
Major: Economics
Minor: Business
Favorite Color: It's different every day; today it's purple.
Amazing Childhood Memory: My first time flying on an airplane for my trip to Paris. Also, field trips with my family once a month all over Israel. I also remember the night Rabin was killed – a very sad memory.
Favorite Food: I love my aunt's food. I also love sushi and any kind of fish, but salmon is my favorite.
Childhood Crush: If you're talking about love, so my first love was basketball. As a child all I cared about was sports, any kind. When I was young, I had crush on the waves in the sea and also a crush on basketball, tennis, handball, and soccer. I played all of them until I had to put more effort into school, and I chose to stay with one and that was basketball (and fishing in the summer).
If you could have one superpower, what power would you choose to have?
The power to change people and make everybody happy and positive all the time. Life is good.
Favorit Lunch: White rice and salmon.
Where do you see yourself in 5 years?
In Israel, hopefully in the Moshav, Married with one kid, and happy. Also, playing basketball in Israel, while working with kids and coaching.
In 10 years:
Still in the Moshav, but probably 20 pounds heavier, and with 3 more kids. I still want to be working, coaching, and playing basketball. I want to open a hostel for mentally disabled kids with my best friend from home, Ofir. I also want to be running a program for volunteering in Israel.
Hometown: Rehovot, Israel
Ideal Vacation:
Ohhhh…so much. I want to cruise in the Caribbean, maybe backpack in the mountains in Asia or South America. New Zealand might be awesome, but after all there is no place like Israel!

Mercedes Cohen

Likes: Playing Sports, watching Sports, hanging out with friends, spending time with my family, cooking, snow.
Dislikes: Rain
Favorite Moment at YU: The first day of spring during freshman year when we went to Bryant Park.
Favorite Moment of the Basketball Season: Last game of the season – playoff game against Albany College of Pharmacy. It was our best game of the season, and even though we lost, we played the best we had ever played.
Major: Elementary Education
Favorite Color: Green
Amazing Childhood Memory: Spending summers at my grandmother's house in Melilla with her whole family – all the aunts and uncles and cousins.
Favorite Food: Moroccan fish
Childhood Crush: Leonardo DiCaprio
If you could have one superpower, what power would you choose to have? Flight
Favorite Lunch: Toasted bagel and cream cheese
Where do you see yourself in 5 years: Working as a teacher in a public school and living in the city.
In 10 years: Having a family and still teaching
Hometown: Melilla, Spain
Ideal Vacation: Somewhere really hot and spending all day at the beach or the pool.

YU Student Entrepreneurs

Josh Hirsch, Baltimore, MD
Senior, 22
Management Major, Entrepreneurship Minor
Founder of Sephoco

Josh Hirsch is the founder and CEO of Sephoco, an online photo storage and printing site that competes with the likes of Shutterfly.com. Call him curious and courageous; he is a student by day and an auxiliary police officer and EMT by night, and he already has several businesses started and sold under his belt. His first business was a dry-cleaning delivery service for the Baltimore area, in which he rented a van that picked up and dropped off laundry for locals and Ner Yisrael bochurim. He also has recently sold his candy-dispensing machine business, in which he had over 30 machines located around the Baltimore area. Also, Hirsch works part time for the US government as a procurer, a job that he found by simply applying online. His thirst for knowledge and determination for success led him to many learning experiences because before starting YU he went to technical school to learn about cars and even worked at BMW in repairs. Hirsch's most recent venture, Sephoco.com, is looking to open in the next several months, in which he will store and print photos through his website, and he has developed agreements with professional photographers to house their photos, a service which is generally lacking in such fields.

Josh Behar, Miami Florida
Sophomore, Finance
Founder – Dental Int

Josh Behar is a self described "intrapreneur" and founder of Dental Int, an international exporter of dental implant products to Latin America. He encountered the opportunity in his shana bet in Israel, and with skilled networking and determination he created Dental Int. He happened to meet the founder of a dental implants company, and immediately saw through the business a way of increasing its sales base. After gathering investments from venture capitalists, he gave a proposal to the CEO of AB Dent. "After much convincing" AB Dent gave him rights as a licensed distributor of their products. It is remarkable how Behar had absolutely no intention of becoming a reseller of dental implant goods. He even says that his father, who was trained as a doctor, took to real estate and now works for his son part time.

Behar is looking to show others how "anyone can and should [start their own business]," not necessarily as a completely new innovation, but as an improvement upon something which already exists. Behar explains how people should not be discouraged since he himself has been dissuaded from entering the business-plan competition that would not accept his coined "intrepreneurship" idea. Behar claims that he has established ties to a number of clients in South America, including one owner of over 50 dental clinics. He attributes his success to ambitious networking and hard work, and he expects to turn a profit in the next two years.

Eitan Nidam, Westchester, NY
Management
Eric Israeli,
Founders JewishPearl.com

Eitan Nidam and Eric Israeli are stark Zionists who, about a year and a half ago, were tired of having to go to every newspaper to track down the latest happenings in Israel and in the Jewish world. They decided to create what Eitan calls "the DrudgeReport of Jewish News," the Jewish Pearl. Jewish Pearl began as a collection of sites posted blog-style, but over time they added ads, and it turned into a money making venture. Nidam and Israeli's love of news and Jewish people has brought them to providing a much sought-after service in the technological world. Anyone can blog, and they just do it better than most. It takes discerning eyes and watchful clicks to find the best news. They are currently in the process of adding a new website, MyKosherCoupons.com which collects the best coupons from all around the city and surrounding areas. These entrepreneurs are getting hundreds of hits each day and growing fast.

Are you the next Executive entrepreneur? If you or someone you know should be profiled in The Executive in a subsequent issue, please email matzkin@yu.edu.

CHOP CHOP Interview

Michael Denenberg

Q: For how long were you planning on opening up a new restaurant?

A: It kind of fell into my lap. Dougie's was not doing well, so I figured we buy it. Now we are bringing in triple the amount of sales that Dougie's was.

Q: What gave you the decision to open it initially?

A: So we bought Dougie's while it was still in operation with the idea of eventually turning it into a Chinese restaurant, but in the beginning I did it to raise the budget for my other restaurant, Shauli's

Q: Why Chinese?

A: Because there's none nearby, and I knew a lot of people near there were interested in it.

Q: What are your future plans for Chop Chop?

A: Catering, parties, and I want to eventually do a lot of events for YU.

Q: What were some other ideas in terms of what type of restaurant to open?

A: I always wanted to open a Dunkin Donuts.

Q: What kind of advice would you give someone who wants to start their own restaurant?

A: Make sure you have a lot of capital or find someone who has a lot of money that they would be willing to invest.

Q: How successful has the restaurant been so far?

A: Unbelievably profitable; a constant flow of customers and very little down time per day.

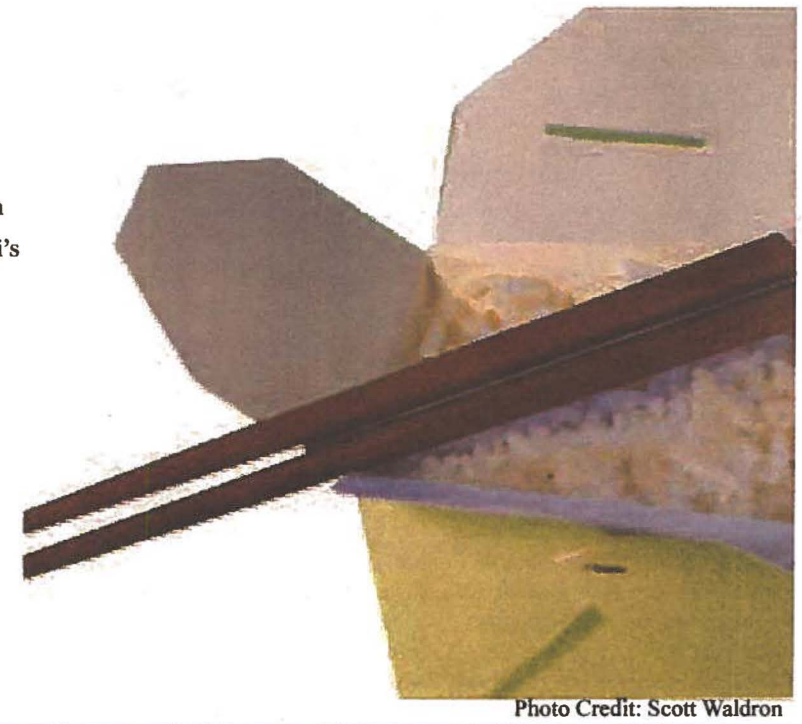


Photo Credit: Scott Waldron

The Man Who Beat The Casino

Jon Harris

Imagine feeling the rush of the wind blowing through your hair as the doorman pulls open the large, gold trimmed doors of the Bellagio Casino in Las Vegas. As you walk through the brightly lit room you hear the thrilling sounds of people excitedly screaming as their winnings pour out of the slot machines, see people dashing all around carrying large stacks of chips, and breathe in the oxygen-infused air. As you pass by the elegant poker, blackjack, and craps tables you touch the $10,000 that's lining your pockets. Though you may seem the average gambler, with the average intentions, things are not as they appear. You are at the casino to accomplish something you once believed impossible: You are there to beat the casino.

Financial gambling has enticed people for millennia, from the rudimentary dice throwing thousands of years ago to the online sports betting of today. Perhaps what attracts people the most is the rapidity of it—unlike most endeavors which must be slowly cultivated, in the casino a player can win or lose significant capital in just a matter of seconds. With the gaming industry in constant growth, its hotspots in Atlantic City, Las Vegas, and Macau, China, the luxuries and expansions continue to abound (take the 4,777 foot long roller coaster that is intertwined throughout the towers of the New York, New York Casino of Las Vegas for example).

With millions of dollars stored deep beneath many casinos, players have looked for any advantage possible; but with the expansion and sophistication of these casinos such tactics have become nearly impossible. That is until 1964, when one man found a loophole that, if done right, could exploit the most luxurious of casinos, finally putting the odds in the player's hands for a change.

Ed Thorp, a mathematics professor working at MIT, spent years researching and calculating, searching for some sort of gamers' advantage. He finally stumbled upon a way to improve the gambler's chances in one of casinos' worldwide most popular games: blackjack. Normally, the house (the casino's team of dealers) has a 5% or so advantage over the gambler in this game. Thorp's techniques, however, transform the game's odds to an astounding 1-2% in the player's favor. Though this does not seem that large at first glance, if one plays a gross amount of games, his endeavor—with Thorp's strategy—could prove highly profitable indeed. This is achieved through a technique called the high - low count, or, as it is popularly referred to these days, card counting.

Card counting is made possible by the two unique characteristics of blackjack. One is that the dealer, in constant competition with the gambler to hold cards adding up to 21, has set rules. For instance, the dealer is required to hit for another card if he has a total of 16 or below. The second crucial factor is that the same deck is used, un-shuffled, until all 52 cards have gone into play. The second factor makes it so that every certain number of hands are dependent on past events—for example, if in the first hand all aces came out, it is now clear that until this deck is used up and discarded, there will be no more aces put in play. Of course, when a card counter realizes he/she is at the point where the odds are in his/her favor, it's time for the big bet to be placed.

Sophisticated and well-honed organizations, casinos did not take very long to notice this trend, and an arms race began.

But does Thorp's theory work in practice? Over the weekend, using his strategies, he turned his $10,000 into over $21,000. He may have won even more had he not started attracting a lot of attention from the casino security.

Thorp didn't keep his formula a secret though. In 1962, he authored Beat the Dealer, a book which revealed his strategies to the world. As this book sold over 700,000 copies, it is clear that Ed profited much more from sharing his secret than actually utilizing it. Card counting mania swept through gamblers across the nation.

Sophisticated and well-honed organizations, casinos did not take very long to notice this trend, and an arms race began. As each decade passed, new mechanics were created to aid card counters (such as computers that would strap to one's chest making counting more accurate) while casinos continually improved detection methods, instituting better gamer records and adding more decks to each table. This race continued until—as the recent movie, 21, showed to the masses—security became so advanced that casinos worldwide had lists and photos of the world's known card counters.

This, in fact, was how Griffin Securities, a top private security firm on contract with several major casinos, found out about the MIT team of 125 students which, using team signals, reaped huge rewards from casinos around Las Vegas. In later interviews, the head of Griffin Security retold how she slowly put the pieces together. First, she noticed a pattern—all the people they were catching were college aged and lived in Boston. Pursuing this angle, when flipping through an MIT yearbook, she was shocked when name after name and picture after picture matched up with the casino's records. It wasn't long until this information became available across the globe.

This sort of advanced facial recognition technology has recently shown up in world news as well. The Wall Street Journal recently pointed out that it was this sort of technology that helped Dubai authorities identify twelve suspects in a recent Hamas assassination as Mossad agents.

The heyday of card counting may be long over, but other trends have taken its place. Thorp used his skills to create the successful hedge fund Princeton/Newport Partners, profiting from the discoveries and exploitations of pricing anomalies within the stock market. He revealed in 1998 that his personal investments achieved an overwhelming average annualized 20% return over the prior 28 years.

Whether at the Casino Monte Carlo or on the New York Stock Exchange, this sort of fiery competition is what the market is all about: one agent trying to advance quicker than the other. From this intense process comes the birth of innovation.

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College Finance

Alex Grumet

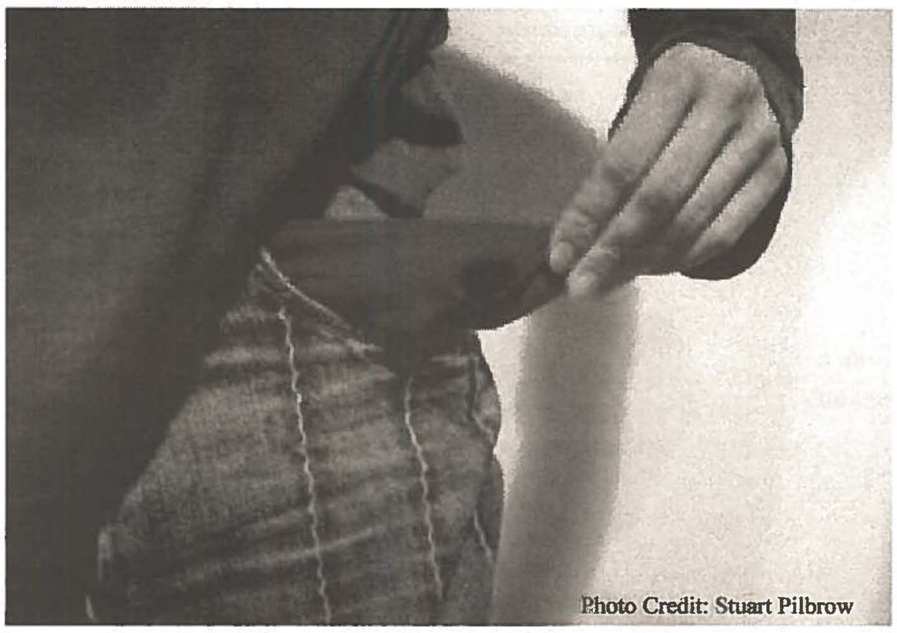

Photo Credit: Stuart Pilbrow

While we're all busy studying for our various lessons, it appears that we may not be learning enough about personal money management to take good care of our own finances. In its 2004 study of credit card usage by undergraduates, the Student Loan Lender's Nellie Mae noted that 76 percent of college students have credit cards, and that by the time they reach their senior year, 56 percent of students carry four or more credit cards, accumulating an average balance of $2,864. In addition, a recent survey commissioned by Bank of America found that approximately 58 percent of college students have no set budget, and 18 percent have no solid idea of how much money they have at any point in time. Even more alarmingly, the Richmond Credit Abuse Resistant Education (CARE) Program reported that the number of 18 to 24 year-olds who have declared bankruptcy has increased by 96 percent in just 10 years.

So what is causing this problem and where can students find some much needed financial guidance? According to Dr. Robert D. Manning, research professor and Director of the Center for Consumer Financial Services at the Rochester Institute of Technology, the main contributing factors of student debt include the extension of unaffordable credit lines, peer pressure to spend money, financial naïveté, and increasing education-related expenses. Typical symptoms of financially risky behavior, as described by Karen Blumenthal of the Wall Street Journal, include late payment of bills and taking out payday loans.

One of the simplest things to do is to check with your college and see if it offers any workshops or seminars about personal money management. Furthermore, whether or not your school has a program on personal finance, you can expand your knowledge of the topic by reading a few publications, such as "40 Money Management Tips Every College Student Should Know", a free guide published by the National Endowment for Financial Education. In its brief 32 pages, the book coaches the reader on every essential tip for money management, from checking accounts, credit cards, savings accounts, and investments. So whether or not you know anything about finance, these practical tips can save you from worrying about the future of your money.

The Big Four

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5-year track, Sy Syms could be in serious jeopardy.

Then came the highlight of the evening. One of the deans raised the notion that, pursuant to Dean Pava's foreboding and the unpreparedness of three-year Sy Syms accounting majors, one of the "Big Four" firms has opted to drop recruiting at YU next semester. Needless to say, the next couple of days brought with them rumors; rumors as embellished as the suggestion that all of the "Big Four" firms were refusing to hire Sy Syms students altogether. When asked to comment on the veracity of the rumors being circulated, the dean wrote: "I have heard, but not confirmed, that one of the final four will not be recruiting on campus this coming year. I have not confirmed this, and cannot tell you if it is true or not."

Theories abound. Some, including current students and alumni that wish to remain anonymous, contend that the real reason has nothing to do with Sy Syms's abridged accounting-track vis-à-vis prevailing 5-year-programs. Instead, they argue, it is a direct consequence of many Sy Syms graduates' decisions to abandon their respective accounting firms in pursuit of hire paying positions at investment banks and other financial institutions. Others attribute the decision to a perceived "lower standard" of education at Sy Syms in general. Still, additional theorists assign the problem to Sy Syms's accreditation, or lack thereof (whichever you prefer).

Lest you think that the abundance of such theories ensures the recruiting rumors' authenticity, Sarah Rosen of the Career Development Center will be happy to enthusiastically inform you otherwise. "At this time, the Career Development Center has been in communication with all Big 4 firms, and expects all 4 to be recruiting at Yeshiva during the academic year 2010-2011 for internships, mentorships and FT jobs," writes Sarah. "The recruiting methods may vary from firm to firm (for example, some firms may recruit a schedule on campus for first rounds, some may do a resume drop with a first round at their offices, etc.) but all have indicated that they will be considering resumes from Sy Syms. We experience this variety of recruiting methods each year."

When asked whether or not she had caught wind of any of the foregoing rumors, or had anything to say in response to the dean's comments, Sarah wrote the following: "No, I do not know why [they are] being circulated around the students. And as for the Dean's response, he alludes to one of the Big 4 not coming on campus for OCR, which may be the case and has been the case with a number of firms on and off over the years, but he does not say that a Big 4 firm will not hire our students. These are 2 completely unrelated issues." Clearly, however, while the dean attributes "one of the Big 4 not coming on campus for OCR" to the increased tendency of Sy Syms students to pursue an abridged 3-year degree, Sarah seems content with attributing as much to "on and off" or "[varying] recruiting methods."

Hence, we are basically left with one fact: one of the Big Four accounting firms will not be doing on-campus-recruiting at YU next semester. It is either because a) Sy Syms accounting is seen as an inadequate "3-year-program," b) Sy Syms accounting alumni would rather work in the finance industry, c) The level of education at Sy Syms is not up to par, d) a variation of "c," or e) the Big Four accounting firms tend to display "on and off" recruiting methods. My personal preference is f) ALL OF THE ABOVE.

How the Mighty Can Fall

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suggesting that faulty design, as opposed to problems with manufacturing, was the root of the problem. Tiger Woods, again, followed the same strategy, blaming the media for the damage caused to his family and career instead of taking responsibility for his own actions.

However, Professor Laufer suggests that all is not lost. Toyota can still emerge from this crisis and reclaim its position as one of the world's leading automakers. To do so, it must immediately engage in a number of swift and decisive actions. First and foremost, it must acknowledge its responsibility for the crisis - a step taken when the chairman of the company issued a definitive apology.

Second, Toyota must be clear and transparent about what it is doing to address the issue at each step along the way. Now that it has issued a recall and stopped selling a number of its popular models, it needs to repair the damage, literally. New parts need to be rapidly manufactured and distributed throughout its system, from the assembly line to the dealerships. Additionally, consumers must be kept abreast along the way through regular communication, both from their respective dealership and from the automaker itself. Toyota has made some progress in this area through numerous advertisements and interviews given by the company's executives, but more needs to be done. It remains to be seen whether these communications will be successful in convincing consumers that the problem has been solved and that their cars are once again safe and reliable. The reaction of outside parties has been mixed to Toyota's actions. Both the US government and safety experts have commented that Toyota's actions are not sufficient and that the problem is related to the electrical system. Toyota needs to gain more support from external parties such as the government and experts, who are perceived by the public as more credible than Toyota.

Toyota also needs to convey all its actions, not only to consumers, but within its own organization. At the beginning of the crisis there were reports that a salesperson at a Toyota dealership claimed to a prospective buyer and reported that a new car for sale was not part of the recall. This information was incorrect, and the dealership's manager attributed the mishap to the salesperson not being up-to-date on the recall situation. This should not have happened - information about the recall needs to be immediately circulated. In fact, in any crisis, a system of prioritization of information needs to be implemented and urgent facts need to be disseminated throughout the organization.

Toyota must also pay close attention to competitor actions. It has already been widely reported that GM, Ford, and other automakers are working to take advantage of the situation by convincing consumers to buy their cars because they don't have accelerator problems. To the extent possible, Toyota needs to remind consumers that recalls are very common in the auto industry. In addition, companies within the industry tend to share suppliers, and if the problem is perceived as an industry crisis as opposed to one impacting Toyota, that would be beneficial.

Finally - and most importantly - Toyota needs to establish a new industry standard. It needs to communicate to the public that it has changed, and that the company is now better than the competition when it comes to quality and safety. In the 1980s, Tylenol emerged from what was a crisis of epic proportions – people dying from criminally tainted medication - and regained its leadership position in the pain relief industry by introducing tamper-free packaging. More recently, Jet Blue initiated generous compensation to passengers for extended company-related flight delays after a crisis associated with passengers stranded aboard planes sitting on runways for lengthy periods of time.

Toyota needs to adopt a similar approach to its crisis to help repair its tarnished reputation. This might mean establishing a more stringent program for selecting suppliers, or more extensive testing before introducing new models or features into the marketplace. Toyota must communicate that it has changed, and that the company is second to none when it comes to safety and quality.

And Tiger? Well, based on his recent media statement, there is still uncertainty about whether he will change and repair the damage to his reputation. However, one important thing to keep in mind is that unlike Toyota, Tiger Woods can always turn to golf if all else fails. If he wins tournaments, he may view that as his salvation. Unfortunately for Toyota, if people don't buy their cars, the company has no where else to turn.

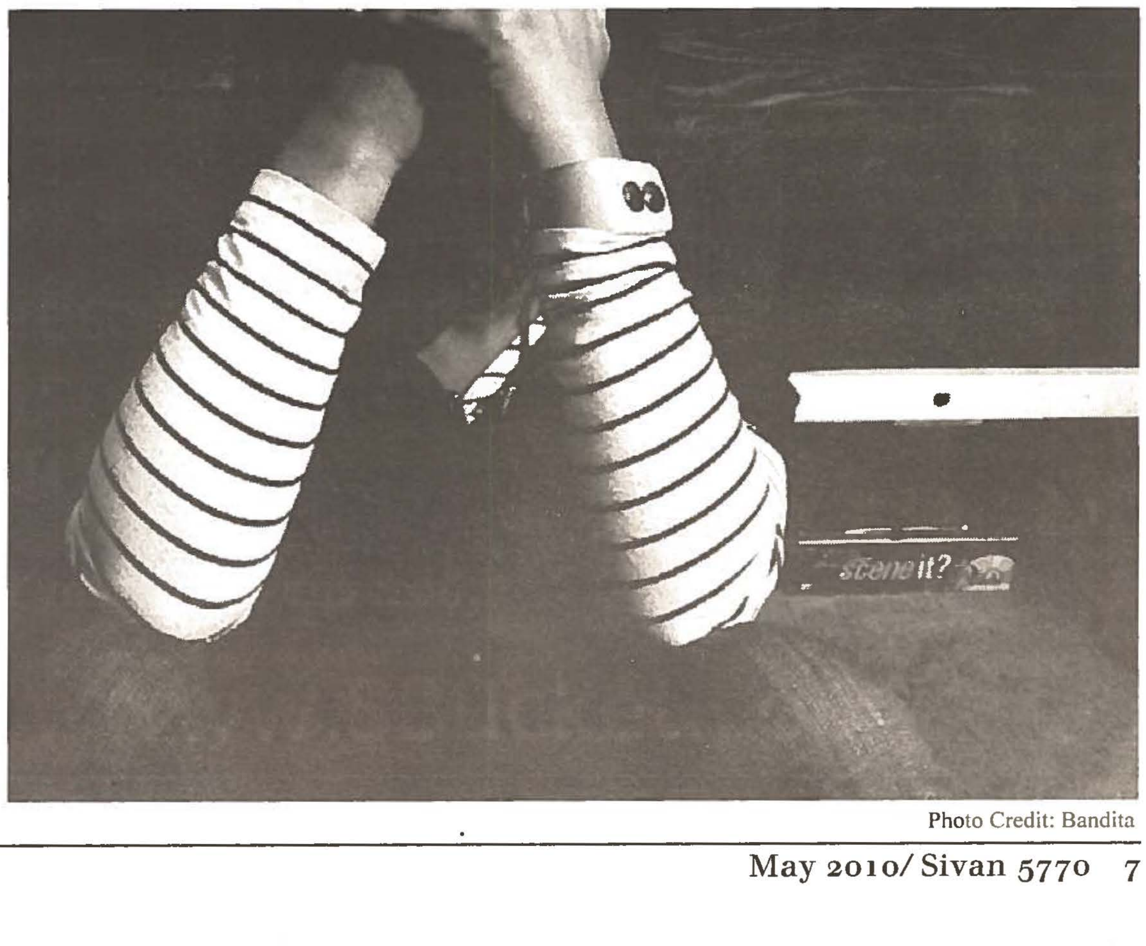

Photo Credit: Bandita

Living the American Dream

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ing materials, cutting, folding, stitching, cementing, lastmaking, finishing and packaging." By the time David and Avi were old enough to have their bar mitzvahs, they were already shoemaking experts.

That year, the family decided to take a trip to New York City. It was David and Avi's first time leaving Israel and they were fascinated by the hustle and bustle of the big city. Like good businessmen, David and Avi scouted out the comfort footwear retail shops to get an idea of the type of product being sold in America. They quickly noticed that the European comfort footwear they manufactured in Israel was exceedingly rare on the other side of the Atlantic. The idea had been spawned. Though the two returned to their usual lives back home, in the back of their minds they harbored the idea of coming back to America and building their own footwear empire.

Four years later the year was 1984. The Ben-Zikry twins resolved to quit harboring their idea and instead bring it to fruition. With nothing but a couple of plane tickets, a few hundred dollars and boundless ambition, the two embarked on their journey. They were only seventeen at the time and hadn't even completed their high school degrees. David nevertheless thought they were ready for the challenge. "Unlike many other people, we already had more than 10 years of work experience," he recalls. As you probably guessed, the Ben-Zikrys did not come by immediate success. To the contrary, the first couple months that David and Avi spent in America were likely the toughest of their lives. They rented a location in Queens for $600 a month and lived in the back of their store. "We sold only two or three pairs a day. We had very slow traffic; it was Main Street but really more like 'Dead Street'," David recalls. "We couldn't sell enough shoes to cover our operating expenses or even pay for food. We were eventually forced to pick up another job at a local bakery where we worked 12-hour shifts just to pay the rent and keep the electricity running." The situation only deteriorated. While sales and inventory declined and expenses remained stable, the prospect of their American footwear empire became increasingly bleak. Moreover, parental financial assistance was out of the question because David and Avi's father was not so keen on their decision to move to America in the first place. "I remember going to bed at night in the back of the store and our pillows would be sopping wet with tears. We couldn't believe that our life-savings were gone after all these years of hard work and that our dream was not moving forward," recounts David. "We cut every expense possible; neither of us bought a single garment of clothing."

Just as the Ben-Zikry twins were ready to call it quits and commence their walk-of-shame back home, they experienced an unbelievable stroke of luck. The twins were informed of a nearby flea market with a traffic-level slightly more conducive to their ambitions than their current "Dead-Street" location. They immediately set up a makeshift shoe stand. Avi and David sold 40 pairs their first weekend alone. Soon, they increased their sales to 200 pairs a day.

Not only did their flea market shoe selling campaign create vast monetary success, it provided the two brothers with the opportunity to optimize their product. The twins paid close attention to the type of European comfort footwear models their customers preferred and adjusted their inventory accordingly. Their clientele responded favorably. The number of pre-orders continued to grow day by day until David and Avi were forced to hire additional workers. They bought their first house and conducted operations from the ground floor, much like their father's business structure back in Rishon Lezion. They continued to cultivate their relationships with local retailers and wholesalers. The two were well on their way to fulfilling their dream.

On the brink of ultimate success, however, David and Avi decided to completely shut down operations and return to Israel to serve in the IDF. They promised their vendors and customers that as soon as they completed their service they'd be back. "We thought we would go to the U. S. for one year, make some money and then do our military service," explained Avi. David added, "Because of the difficulties in getting started, we stayed for four years. But we still had to pay our dues." Demonstrating the classic commitment and timeless integrity so pervasive amongst the Israeli populace, David and Avi each spent three years serving in Lebanon and the Gaza Strip respectively.

True to their promise, upon paying their dues, the two returned to America and picked up right where they left off. Today, David and Avi are co-CEOs of the multi-million dollar Spring Footwear Corporation, based in Pompano Beach, FL. "Since their return to the States in '91, David and Avi have stood at the helm of a rapidly growing comfort shoe company, netting double-digit sales gains every year since," records Dutter. Indeed, Avi's and David's integrity—which readily manifests itself in their undying commitment to their homeland—has afforded them a great deal of trust amongst those who conduct business with them. "We have gained a lot of trust and respect in the marketplace for what we do. We are fair and honest, and we put 100 percent of what we do into this business the right way." explains Avi.

Though it may be unrealistic to view formal education as nothing more than "an insurance policy," something must be said about the perseverance, determination, and hard work that cannot be taught by a mere textbook. The Ben-Zikry twins have combined such ideals with deep-seated honesty and sound fidelity in pursuit and ultimate attainment of their American dream. We wish them all the best in their future endeavors.