IRENA HUTTON

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EDUCATION

Baruch College and Graduate Center, City University of New York (CUNY)
- Ph.D. Candidate in Finance (defended May 2006)
- Dissertation Title: "Three Essays in Seasoned Equity Offerings"
- Dissertation Committee: Armen Hovakimian (Chair), Turan Bali, Masako Darrough, Ozgur Demirtas

University of Southern Maine (USM)
- MBA (2001)
- B.S. in Business Administration/Finance Concentration (2000)
- B.A. in Economics (1999)

PRIMARY INTERESTS

- **Research**: Seasoned Equity Offerings, Equity Market Timing, Capital Structure
- **Teaching:** Investments, Corporate Finance, Financial Management, Financial Institutions

WORKING PAPERS

"Indirect Costs of Equity Issuance: Evidence from Repeat Issues" (under review)
Abstract: We examine the relation between indirect costs and equity issuance behavior by focusing on a sample of firms that access the equity market repeatedly. Specifically, we explore whether the past frequency of seasoned equity issuing activity affects the indirect costs of equity issuance as measured by the market reaction to equity issue announcements and offer price discounts, and whether the indirect costs incurred in prior seasoned equity offerings influence the likelihood of subsequent equity issues. We find that the indirect costs decline with the sequence of issues. However, the improvement in indirect costs is better explained by cross-sectional differences in firm characteristics than the frequency of equity issuing activity by the firm. Firms that are frequent issuers experience lower indirect issuance costs, but these costs are not the reason for their returning to the market. The offer, firm, and industry characteristics that explain indirect issue costs are also significant determinants of the equity issue decision.

"Equity Issuance and Stock Returns: Evidence from Repeat Equity Issues" with Armen Hovakimian (under review)
Abstract: We examine the timing patterns and long-run post-issue performance of repeat equity issuers. Our results provide support for the hypothesis that managers with private information about the firm value time equity issues in ways that benefit their existing shareholders. They tend to delay equity issues so that the issues follow positive information releases and accelerate the issues so that they precede unfavorable news. Firms that experience liquidity shocks forcing them to raise equity before positive news is released to the market, raise the least amount necessary, fully expecting to return to the market when the value of their equity is increased by the positive news release. Firms that expect negative news

may raise enough funds to avoid returning to the market after the negative information becomes public. Consistent with this hypothesis, we find that the probability of an equity issue is higher following issues with better post-issue performance. We also find that average post-issue returns are unusually low only for the last in the sequence of issues by the same firm. The raw returns of the last issues are significantly negative, while the raw returns of non-last issues are significantly positive. We explore alternative explanations and find that this result cannot be explained by differences in risk levels. The difference between non-last and last issues in the sequence is not due to more aggressive use of discretionary accruals, more aggressive timing with respect to pre-issue market conditions or differences in the investment levels.

PUBLICATIONS

- Steven Walczak, Irena Yegorova*, and Bruce Andrews, "The Effect of Training Set Distributions for Supervised Learning Artificial Neural Networks on Classification Accuracy", in: G. Ditsa (Ed.), *Information Management: Support Systems and Multimedia Technology*, Hershey, PA: IRM Press, Chapter VII, 2003
- Irena Yegorova, Bruce Andrews, John Jensen, Bert Smoluk, Steven Walczak, "A Successful Neural Network-Based Methodology for Predicting Small Business Loan Default", *The Credit and Financial Management Review*, Fourth Quarter, 2001
- Irena Yegorova, Bruce Andrews, Jack Jensen, Bert Smoluk, "A Successful Loan Default Prediction Model for Small Business", *The Credit and Financial Management Review*, Fourth Quarter, 2000

PRESENTATIONS

- Irena Hutton, "Indirect Costs of Equity Issuance: Evidence from Repeat Issues ", *Financial Management Association*, October 2005
- Armen Hovakimian, Irena Hutton, "The Last Issues Puzzle ", *Department of Economics and Finance, Baruch College,* September 2005
- Steven Walczak, Irena Yegorova, Bruce Andrews, "Training Distribution Strategies for Optimizing Neural Network Classification Models", *Information Resources Management Association,* April 2002 [Best Paper Award]
- Irena Yegorova, Bruce Andrews, Jack Jensen, Bert Smoluk, "A Successful Neural Network-Based Methodology for Predicting Small Business Loan Default," *Northeast Decision Sciences Institute*, March 2002
- Irena Yegorova, Bruce Andrews, Jack Jensen, Bert Smoluk, "A Methodology for Constructing Credit-Scoring Models for Small Businesses", *Western Decision Sciences Institute*, April 2001
- Irena Yegorova, Bruce Andrews, John Jensen, Bert Smoluk, "A Successful Loan Default Prediction Model for Small Business", *Eastern Finance Association*, April 2001

ACADEMIC EXPERIENCE

- **Substitute and Adjunct Instructor of Finance -** Zicklin School of Business, Baruch College, City University of New York (09/03 – present) **-** Taught undergraduate Principles of Finance (FIN3000) every semester earning the following student ratings:
  Spring 05: 3.6/5.0 and 3.4/5.0
  Fall 04: 4.1/5.0 and 4.4/5.0
  Spring 04: 4.1/5.0
  Fall 03: 3.8/5.0
- **Teaching Assistant** – Dr. Kishore Tandon, Department Chair and Professor of Finance, Zicklin School of Business, Baruch College, City University of New York (09/01 – 08/03) **-** Provided support for undergraduate and graduate introductory, and international finance courses

* Written under maiden name: Yegorova

- **Research Assistant** – Dr. Linda Allen, Professor of Finance, Zicklin School of Business, Baruch College, City University of New York (05/03 – 08/03) - Provided research support for a project estimating catastrophic and operational risk using market returns of financial institutions
- **Teaching Assistant** – Dr. Bruce Andrews, Professor of Management Science, School of Business, University of Southern Maine (12/98 –08/01) – Provided support for undergraduate and graduate courses in management science and statistics

NON-ACADEMIC EXPERIENCE

- **Consultant** –Co-consultant with Dr. Bruce Andrews, Professor of Management Science and Dr. Jack Jensen, Associate Professor of Productions/Operations Management (12/98 – present) for the following clients: Hannaford Brothers (Fortune 100), IDEXX, Maine Turnpike Authority, Pan Atlantic Consultants, HealthWatch Technologies
- **Research Assistant –** Center for Business and Economic Research, School of Business, University of Southern Maine, Portland, ME (12/98-08/01) - Participated in applied research projects funded by grants and contracts for the following clients: Maine Department of Economic and Community Development, MaineBiz, Coastal Enterprises Inc., Maine Software Developers' Association, Maine Businesses for Social Responsibility
- **Intern** – Coastal Enterprises Inc., Wiscasset, ME (2/99-6/00) - Conducted statistical analyses of corporate loan history databases and constructed a credit-scoring model to evaluate the attractiveness of small business loan prospects

WORK IN PROGRESS

- Jay Dahya, Irena Hutton, and Kishore Tandon, "Executive Compensation Structure and Alternative Flotation Methods: Evidence from Equity Issuance in the U.K."
- Irena Hutton and Bert Smoluk, "Luxury Consumption and Stock Returns"
- Irena Hutton and Milos Vulanovic, "The Value of Going Public"

HONORS AND AWARDS

- Full tuition scholarship for Honors 3-2 MBA program and for undergraduate degrees in Economics and Business
- Full fellowship support for Honors 3-2 MBA program
- Maine Business for USM Scholars Scholarship, Phyllis and Audway Treworgy Scholarship
- Phi Kappa Phi Honor Society, Beta Gamma Sigma Honor Society

SERVICE

- Student Representative, Dean's Task Force on Doctoral Program, Zicklin School of Business (2003)
- Student Representative, MIS Faculty Search Committee, USM School of Business (2000-2001)
- Student Representative, Dean Search Committee, USM School of Business (2000-2001)

VISA STATUS

- US Permanent Resident

REFERENCES

- **Armen Hovakimian** Associate Professor of Finance, Department of Economics and Finance, Baruch College, 1 Bernard Baruch Way, New York, NY 10010
  E-mail: Armen_Hovakimian@baruch.cuny.edu Phone: 646.312.3490

- **Turan Bali** Associate Professor of Finance, Department of Economics and Finance, Baruch College, 1 Bernard Baruch Way, New York, NY 10010
  E-mail: Turan_Bali@baruch.cuny.edu Phone: 646.312.3506

- **Bruce Andrews** Professor of Management Science, School of Business, University of Southern Maine, 96 Falmouth Street, Portland, ME 04104
  E-mail: Bandrews@maine.edu Phone: 207.780.4185