

MICHAEL A. KELLY

EDUCATION

1988 – 1992 Cornell University Ithaca, NY
M.A. & Ph.D. in Economics
Dissertation, “Essays in Intertemporal Economics.”
Distinction in Macroeconomics.
Fields of Study: Industrial Organization, Monetary Theory, Microeconomics Theory, and
Natural Resource Economics.

1982 – 1986 Harvard University Cambridge, MA
A.B. in Economics cum laude

2008 – CFA Charterholder

PROFESSIONAL EXPERIENCE

2005 – Lafayette College Easton, PA
Assistant Professor
Teach Corporate Finance/Introduction to Finance, Investments, Futures & Options,
Causes of Financial Crises, and Microeconomics. (Fall 2005 - present). Promoted to
Associate Professor with continuous tenure effective July 1, 2012.
Visiting Assistant Professor
Taught Corporate Finance, Investments, and Futures & Options. (Spring 2005)

1998 – 2004 Onyx Capital Management, LLC New York, NY
Founding Partner
Founded, with four partners, a hedge fund focused on derivatives arbitrage and equity
relative value. Involved in all aspects of building the business (creation of firm
infrastructure, risk management, systems-building, and capital-raising) as well as
portfolio construction.
Built the US & European convertible and statistical arbitrage portfolios.
Volatility arbitrage portfolio based upon Michael’s research on dispersion.

1986 – 1988; 1991 – 1998 JP Morgan & Co. New York, NY
Vice President
Produced, published and directed the firm’s research regarding convertible securities and
derivative trade strategies. (1992 – 1998)
Published and quoted in the Wall Street Journal, RISK magazine and Barron's on the
relationship between index volatility and single stock volatility.
Designed curriculum and taught equity derivatives section of JP Morgan training
program. (1992 – 1998)
Developed JP Morgan's Emerging Markets Bond Index, EMBI. (1992)
Equity analyst assistant for energy and capital goods firms. (1986 – 1988)

COMMUNITY INVOLVEMENT

2008 – Somerset County Energy Council Somerset County, NJ
Vice Chair

The first formal energy council in New Jersey which recommends alternative energy opportunities, sustainable energy initiatives, and strategies that reduce energy demand to the county freeholders. Implemented energy audit program for municipalities and school districts. Advised on a “solar initiative” which allowed municipalities and school boards to install solar arrays while taking advantage of federal tax benefits. Advising freeholders on energy efficiency for a new \$20 million social services building.

CONSULTING

2006 International Securities Exchange New York, NY

Evaluated the feasibility of and requirements for the development of a listed credit default swap product.

PEER-REVIEWED ARTICLES

“Faster Implied Volatilities via the Implicit Function Theorem,” *The Financial Review*, **41**, 4, 2006, 589-97.

“The Role of the Constant Recovery Assumption in the Subprime Bubble,” *Journal of Alternative Investments*, **13**, 1, Summer 2010, 30-40 (with Donald R. Chambers and Qin Lu).

“Trend of Subjects Published in Economics Journals 1969-2007,” *Economic Inquiry*, **49**, 3, 2011, 658-673 (with Stephen Bruestle).

“Returns in Trading versus Non-trading Hours: The Difference is Day and Night,” *Journal of Asset Management*, **12**, 2, 2011, 132-45 (with Steven P. Clark).

“CDO Squareds: the Case of Subprime Mortgages,” *Journal of Structured Finance*, **17**, 2, Summer 2011, 96-133 (with Donald R. Chambers, Qin Lu, Adam Biesenbach, Angela King, Kuni Natsuki, and Qi Sun).

“Capital Gains Taxation and Equity Returns: The Case of Mutual Savings Banks” (forthcoming at *Journal of Business Finance & Accounting* with Donald R. Chambers and Xin Wu).

OTHER PUBLICATIONS

“Stock Answer,” *Risk Magazine* **8**, Summer 1994, 40-43. First discussion of dispersion trading.

“Forward Rate Agreements” and “Financial Forward and Futures Contracts,” 1997, in Controlling and Managing Interest-Rate Risk, A. Cornyn, R. Klein, and J. Lederman. ed., 131-39.

CAIA Notes: Prerequisite Materials, Institutional Investor Exam Prep, 2007.

CONFERENCE PRESENTATIONS

"Returns in Trading versus non-Trading Hours: The Difference is Day and Night," Eastern Finance Association, April 2007.

"Returns in Trading versus non-Trading Hours: The Difference is Day and Night," Midwestern Finance Association, May 2007.

"Trend of Subjects Published in Economics Journals 1969-2007," Eastern Economic Association, February 2008.

"Were ABS-CDOs Rated Reasonably?" NABET, October 2010.

"Changes in the Cross-Sectoral Synchronization of Shocks and the Great Moderation," Eastern Economic Association, March 2012.

JOURNALS REFEREED

Quantitative Finance, Eastern Economic Journal, and Journal of Economic Education.

UNPUBLISHED DISSERTATION PAPERS

"Leasing As a Solution to the Akerlof 'Lemons' Problem," Ph.D. Dissertation, Dept. of Economics, Cornell University, 1992. This paper was cited in M. Waldman and J. Johnson, "Leasing, Lemons, and Buybacks," *Rand Journal of Economics* **34** (2003), 247-265.

"Does Gramm-Rudman Matter?" Working Paper 91-19, Center for Analytic Economics, Cornell University, 1991. This paper was cited in C. Ghiglino and K. Shell, "The Economic Effects of Restrictions on Government Budget Deficits," *Journal of Economic Theory* **94** (2000), 106-137 and cited in E. O'N Fisher, "A New Way of Thinking about the Current Account," *International Economic Review* **36** (1995), 555-568.

My advisors for these papers were Karl Shell, David Easley, and Tapan Mitra.