

Appendix B  
JERRY L. ARNOLD Curriculum Vitae

I. GENERAL INFORMATION

Business Address:  
School of Accounting  
University of Southern California Los  
Angeles, CA 90089-1421  
(213) 740-4860

B. Formal Education

1. University of Michigan, Doctor of Philosophy (Ph.D), 1975. Major - Accounting. Dissertation Title - "Accounting for the Investment Tax Credit as a Potential Causal Factor in the Corporate Equipment Investment Decision: An Empirical Analysis."
2. University of Missouri- Columbia, Masters of Arts in Accountancy, 1972.
3. University of Missouri - Columbia, Bachelor of Science in Business Administration (Accounting), 1969.

C. Certification.

Certified Public Accountant, currently licensed in Missouri.

D. Experience

1. Academic
  - a. University of Pennsylvania, Wharton School  
Visiting Professor of Accounting, 1988-1989
  - b. University of Southern California  
Professor of Accounting, 2001-present  
Accounting Associates Professor, 1995-2001  
Price Waterhouse Professor, 1990-1995  
Professor of Accounting, 1987-1990

Associate Professor of Accounting (with tenure), 1982-1987  
Founding Director, SEC and Financial Reporting Institute, 1981-1988  
Assistant Professor of Accounting, 1979-1982

- c. University of California, Los Angeles  
Assistant Professor of Accounting, 1975-1979.
- d. University of Michigan  
Graduate Teaching Fellow, Graduate School of Business Administration,  
1972-  
1975.
- e. University of Missouri  
Graduate Teaching Assistant, School of Accountancy, 1971-1972.

2. Other

- a. Academic Fellow, Office of the Chief Accountant, Securities and Exchange Commission, Washington, D. C., summer 1981.  
Contributed to Accounting Series Release No. 299 on management's discussion and analysis of financial condition and results of operations, which was adopted September 1981.
- b. Staff Accountant, Ernst & Young, 1970-1971.
- c. Only academic among five finalists for the position of Chief Accountant, Securities and Exchange Commission, 1988.

## II. SEC AND FINANCIAL REPORTING INSTITUTE

- A. I was the founding director of the Institute in 1981 and served in that capacity from its inception until 1988. Serving as director required that I devote a majority of my time to administering Institute activities. The purpose of the Institute is to promote interaction between policy setters, their constituencies, and researchers in academia. The Institute is a unique organization. Its research efforts have resulted from requests from the SEC and the National Commission on Fraudulent Financial Reporting as well as from national calls for proposals. I created a management structure for the Institute that includes an Executive Committee and Advisory Council. I worked closely with these groups and the administration of the Schools of Accounting and Business in formulating and implementing Institute policies. The advisory groups include representatives from the SEC, at both the Commission and staff level, as well as the chairman of the Financial Accounting Standards Board and other private-sector policy setters, and senior executives from the business and accounting communities.

- B. I was responsible for all fundraising activities of the Institute. In addition to the annual conference, these activities include seeking annual Institute membership from corporations and CPA firms and larger individual donations. As a result of these activities, the Institute raised over four hundred thousand dollars during my directorship and has been self-sustaining financially from its inception.
- C. I was responsible for planning, developing, and managing the Institute's annual major conference in Los Angeles. Twenty-four such conferences have been held to date. Average attendance is six hundred, drawn largely from corporate financial and CPA communities.

Program participants have included SEC Chairmen, Commissioners and senior staff, leaders from private-sector policy-setting units, senior financial executives, prominent attorneys and financial analysts. The keynote address at one conference was delivered by Walter Wriston, then chairman of Citicorp. The annual conference has attracts national attention and recognition.
- D. I was responsible for planning and overseeing all research activities of the Institute, including topic identification, selection of researchers, generating funding, and project management.

### III. RESEARCH AND PUBLICATIONS

#### A. Works Published

##### 1. Research Monographs

- a. "Corporate Financial Policies: A Review and Analysis of Existing Literature,"

Financial Executives Research Foundation, Fall 1989 (with Michael A. Diamond).

- b. "Proceedings of the October 8, 1987 Roundtable Discussion on Generally Accepted Accounting Principles and Regulatory Accounting Practices," SEC and Financial Reporting Institute, January 1988.

- (i) Project included roundtable discussion on the use of regulatory accounting practices vs GAAP primarily for financial institutions. Those in attendance included the Comptroller General of the United States, who directs the GAO, the Comptroller of the Currency, a member of the Federal Home Loan Bank Board, the Chairman and Vice Chairman of the FASB, the then Chief Accountant of the SEC and twenty other business and government executives.

- (ii) Report was sent by the Comptroller General to all members of Congress. I was responsible for all aspects of the project, including preparation of the discussion paper, inviting attendees, moderating the session, and editing the final report. Report was referenced in numerous financial publications.

- c. “The Impact of Electronic Technology at the S.E.C.: An Analysis of Policies Governing the Content and Dissemination of Corporate Disclosures,” Financial Executives Institute and SEC and Financial Reporting Institute, July 1987, (with Edward F. Greene and Earl C. Keller).
  - (i) Project included a blue-ribbon roundtable discussion on key issues of regulation and financial reporting. Those participating included four SEC Commissioners (other Commissioner was ill), private-sector policy setters, and leaders from the CPA, business, legal, financial analysis, and academic communities. The discussion paper for this session was written by my co-authors and me and is included in the final report.
  - (ii) The Director of the Division of Corporation Finance at the SEC recently cited the monograph as very important as a predictor of the future disclosure system.
  - (iii) Results presented to Financial Executives Institute’s Committee on Corporate Reporting, December 1986 and March, 1987.
- d. “EDGAR: The SEC’s Pilot Program and Its Impact,” Financial Executives Research Foundation, January 1987 (with Michael A. Diamond).

Report is widely cited by the SEC personnel and was referenced in their testimony before Congress.
- e. “Impact of Statement 52 on Decisions, Financial Reports, and Attitudes,” Financial Executives Research Foundation, July 1986 (with William W. Holder).

- f. "The Market for Compilation, Review, and Audit Services," Auditing Research Monograph 4, American Institute of Certified Public Accountants, December 1981 (with Michael A. Diamond). Citations include:
  - (i) Rocky Mountain News, Denver, 4/8/81.
  - (ii) Denver Post, 4/8/81.
  - (iii) The Executive, Orange County Edition, 3/81.
  - (iv) Journal of Accountancy, 2/81 and 10/80.
  - (v) The Los Angeles Business Journal, 1/5/81.
  - (vi) Financial Times, World Accounting Report, 1/81.
  - (vii) The CPA Journal, 11/80.
  - (viii) Midlands Business Journal, 9/26/80.
  - (ix) The American Banker, 8/18/80.
  - (x) Wall Street Journal, 8/15/80.
- g. "Public Accounting Report," 2/80.
  - (i) Presented to the National American Institute of CPAs Accounting and Auditing Conference, August, 1981.
  - (ii) Presented to bank executives and media in New York and Newport Beach, August 1980 and January 1981, respectively.
- h. "Accounting Policy Formulation: A Study of User Preferences," California Society of Certified Public Accountants, Summer 1980 (with Durwin Sharp).

## 2. Articles

- a. "Dealing with the Implications of Accounting Change," Financial Executive, November 2012, with B. Blisard and J. Duggan
- b. "Improving Pro Forma Financial Information," Financial Executive, May 2002, with J. Duggan
- c. "What Foreign Filers Need to Know," Financial Executive, May 2001, with W. Holder and J. Duggan, KPMG
- d. "Disclosure of Measurement Uncertainties: Guide to a Financial Reporting Evolution in Progress," Journal of Accountancy, 1999 (with Bill Holder)
- e. "The SEC's Audit Requirements for Companies Acquired And Equity

- Investees,” Research in Accounting Regulation, 1997, (with Bill Holder)
- f. “Electronics Opens a New Door to SEC Filings”, Financial Executive, January/February 1988, (with Edward F. Greene and Earl C. Keller).
  - h. “SEC Form S-18: A Boon to Small Business,” Journal of Accountancy, May 1986 (with James G. Manegold and Michael A. Diamond).
  - i. “An Easier Way to Go Public,” Harvard Business Review, January-February 1986 (with James G. Manegold).
  - j. “Small Firm Securities Registration in the S-18 ERA: Perceptions of Professionals,” The Corporation Law Review, February 1985 (with Merle W. Hopkins).
  - k. “The Exempt Offering: An Alternative to Going Public,” Harvard Business Review, January-February 1985.
  - l. “Small Business: An Area Ripe for Practice Development,” cover article in Journal of Accountancy, August 1984 (with Alan A. Cherry, Michael A. Diamond and James A. Walker). Study, sponsored by Peat Marwick Main & Co. was cited in over one hundred periodicals.
  - m. “The FASB Should Establish An Accounting Laboratory,” Management Accounting, March 1983 (with William W. Holder and Jan R. Williams).
  - n. “The Accounting Review: A Happy Compromise,” Harvard Business Review, May-June 1982 (with Michael A. Diamond).
  - o. “Loan Officers’ Experiences With and Reactions to Compilation and Review of Financial Statements,” Journal of Commercial Bank Lending, December 1981 (with Michael A. Diamond and Earl C. Keller).
  - p. “International Reporting Aspects of Segment Disclosures, The International Journal of Accounting, Fall 1980 (with William W. Holder and Herschel Mann).
  - q. “Competition in Public Accounting: Issues and Controversies,” Georgia Journal of Accounting, Spring 1980 (with Doyle Z. Williams).
  - r. “The Influence of Accounting Rules on Tax Policy Objectives: An Empirical Investigation” Journal of the American Taxation Association, Winter 1980 (with Earl C. Keller).
  - q. “Using Replacement Cost Data in the Bank Lending Decision,” Journal of Commercial Bank Lending, November 1979 (with Michael A. Diamond).
  - s. “Accounting for Oil and Gas: The FASB Faces Political Realities,” California CPA Quarterly, June 1979 (with Michael A. Diamond).
  - t. “Guidelines for Computer Software Selection,” California CPA Quarterly, June 1977 (with Bennet P. Lientz).

3. Study Commissioned by SEC

“A Report on a Survey Conducted for the Government-Business Forum,” SEC Government-Business Forum on Small Business Capital Formation: Final Report, November 1982.

Study was requested by SEC and served as basis for selection of issues discussed at session, which was mandated by Congress. Final report, including study, was submitted to Congress.

4. Proceedings

- a. “The SEC’s Disclosure System: Its Objective, Its Evolution, and Its Future,” A Profession is Transition: The Ethical and Legal Responsibilities of Accountants, Belverd E. Needles, Jr., Editor, DePaul University, 1988
- b. “An Analysis of the Nature and Quality of Services Provided by CPAs to Middle-Market Clients,” Proceedings of the DePaul University Research Symposium on the Accounting Profession and the Middle Market, September 1985, (with Michael A. Diamond and Alan A. Cherry).
- c. “The SEC’s Preferability Rule and Managements’ Consistency in the Selection of Accounting Alternatives: An Empirical Investigation,” Proceedings of the Southwest American Accounting Association, March 1981 (with Earl C. Keller).
- d. “Toward Knowledge-Based Accounting Policy,” Proceedings of the UCLA Accounting - Information Systems Conference, Accounting Research: Bridging the Gap Between Theory and Practice, May 1976 (with Earl C. Keller).

5. Journal Articles Reprinted

- a. “SEC Form S-18: A Boon to Small Business,” reprinted from Journal of Accountancy, May, 1986, reprinted in Accounting in Action: New Opportunities, Developments, and Challenges for the Professional Accountant, American Institute of CPAs, 1986 (with James G. Manegold and Michael A. Diamond).
- b. “Small Business: An Area Ripe for Practice Development,” reprinted from Journal of Accountancy, August 1984, reprinted in New Approaches to Accounting Success, American Institute of CPAs, 1984 (with Alan A. Cherry, Michael A. Diamond, and James A. Walker).
- c. “The Accounting Review: A Happy Compromise,” reprinted from Harvard Business Review, May-June 1982, reprinted in Growing Concerns: Building and Managing the Smaller Business, edited by David E. Gumpert for the Harvard Business Review, John Wiley & Sons 1984, (with Michael A. Diamond).
- d. “Using Replacement Cost Data in the Bank Lending Decision,” reprinted from Journal of Commercial Lending, November 1979, reprinted in The Development of SEC Accounting, edited by Gary John Previts, Addison-Wesley, 1981 (with

Michael A. Diamond).

B. Invited Testimony Before Governmental Authorities

1. September 1983 - Before Joint SEC - NASAA (State Securities Administrator Hearing)
2. Discussed findings of study into Form S-18 Companies (with Merle W. Hopkins)
3. February 1983 - Before U.S. Senate Small Business Committee
4. Discussed findings of study into needs of small companies, sponsored by Peat Marwick.
5. September 1982 - Before SEC Government-Business Forum
6. Discussed findings of study commissioned by SEC to identify key issues facing small business.

IV. SERVICE

A. Professional

1. Member, Executive Committee, Sixteenth Annual SEC Government-Business Forum on Small Business Capital Formation.
2. Managing Editor, Accounting Horizons, 1992-1994.
3. Member, AICPA Committee on SEC Regulations, 1989-1992.
4. Member, American Accounting Association's Subcommittee to respond to the FASB Discussion Memorandum on "Employers' Accounting for Pensions and Other Postemployment Benefits."
5. Member, American Accounting Association's SEC Liaison Committee, 1983-1985.
6. Member, American Institute of Certified Public Accountants.
7. Member, California Society of Certified Public Accountants.
8. Member, Editorial Board, Research in Accounting Regulation, JAI Press, 1986-1991.
9. Ad Hoc Reviewer, Accounting Review, Accounting Horizons.
10. I have made numerous presentations before professional and academic audiences on a wide variety of financial reporting and regulatory topics, 1976-Present.
11. I was interviewed on KNBC - TV in Los Angeles in April 1987 regarding insider-trading issues.



12. Reviewer, Methodological Foundations of Central Standardsetting for Corporate Financial Reporting by James C. Gaa, published in the American Accounting Association's Studies in Accounting Research Series (No. 28).
13. Consultant to National Commission on Fraudulent Financial Reporting (Treadway Commission) 1986.

B. Schools of Accounting/Business

1. Member, Executive Committee, SEC and Financial Reporting Institute, 1982-
2. Member, Leventhal School of Accounting Curriculum Committee, 2011-
3. Member, MBA-PM Task Force, 1997.
2. Coordinator/Instructor, GSBA 514-Foundations of Business I & II, 1997- 2003.
3. Chairman, School of Accounting Personnel Committee, 1994-1997.
4. Member, School of Accounting Personnel Committee, 1989-1997.
5. Member, School of Business Personnel Committee, 1994-1997.
6. Chairman, Masters Task Force, 1989-1991.
7. Member, School of Business Strategic Planning Committee, 1984-1991.
8. Chairman, School of Accounting Strategic Planning Committee, 1989-1992.
9. Chairman, Two Faculty Review and Promotion Committees, November, 2002